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# **YEAR 4 ANNUAL REPORT** (OCTOBER 2014–SEPTEMBER 2015) **AND QUARTER 16 PROGRESS REPORT** (JULY–SEPTEMBER 2015)

**ZIMBABWE STRATEGIC ECONOMIC RESEARCH AND ANALYSIS  
(SERA) PROGRAM**

CONTRACT NO. AID-613-C-11-00001



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# **AND QUARTER 16 PROGRESS**

# **REPORT**

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## **ZIMBABWE STRATEGIC ECONOMIC RESEARCH AND ANALYSIS (SERA) PROGRAM**

CONTRACT NO. AID-613-C-11-00001

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# ACRONYMS AND ABBREVIATIONS

ACP	Agricultural Competitiveness Project
ADP	Accelerated Data Program (World Bank)
AfDB	African Development Bank
CBR	Central Business Register
CCN	Cooperating Country National
CIP	Census of Industrial Production
CIPE	Center for International Private Enterprise
COMESA	Common Market for Eastern and Southern Africa
COMZ	Chamber of Mines of Zimbabwe
COP	Chief of Party
COS	Census of Services
COTR/COR	Contracting Officer's Technical Representative/ Contracting Officer's Representative
CSO	Central Statistics Office
CTC	Competition and Tariff Commission
CV	Curriculum Vitae
CZI	Confederation of Zimbabwean Industries
DFAP	Development Food Aid Program
DFID	UK Department for International Development
DL	Distance Learning
EAC	East African Community
ED	Executive Director
EITI	Extractive Industries Transparency Initiatives
EMMP	Environmental Mitigation and Monitoring Plan
ESAMI	Eastern and Southern African Management Institute
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GMB	Grain Marketing Board
GOZ	Government of Zimbabwe
GTAP	Global Trade Analysis Project
HQ	Nathan Headquarters
ICT	Information and Communications Technology
IMF	International Monetary Fund
IT	Information Technology

ITC	International Trade Center
LEDRIZ	Labor and Economic Development Research Institute of Zimbabwe
LOE	Level of Effort
M&E	Monitoring and Evaluation
MEFMI	Macroeconomic and Financial Management Institute
MEPIP	Ministry of Economic Planning and Investment Promotion
MIC	Ministry of Industry and Commerce
MMMD	Ministry of Mines and Minerals Development
MOF	Ministry of Finance
MOFED	Ministry of Finance and Economic Development
MOHCC	Ministry of Health and Child Care
MOPSE	Ministry of Primary and Secondary Education
MP	Member of Parliament
MRIIC	Ministry of Regional Integration and International Cooperation
NADA	National Data Archive
NECF	National Economic Consultative Forum
NIPC	National Incomes and Price Commission
NMMU	Nelson Mandela Metropolitan University
NSDS	National Strategy for the Development of Statistics 2011-2015
NSSA	National Social Security Authority
OBRs	Online Business Registry System
PBB	Program Based Budgeting
PFM	Public Financial Management
PICES	Poverty, Income and Consumption Expenditure survey
POZ	Parliament of Zimbabwe
PS	Permanent Secretary
QEI	Quarterly Employment Inquiry
QPR	Quarterly Performance Report
RA	Resident Advisor
RBZ	Reserve Bank of Zimbabwe
RFP	Request for Proposal
SADC	Southern African Development Community
SAPST	Southern Africa Parliamentary Support Trust
SERA	Strategic Economic Research and Analysis
SEZ	Special Economic Zone
SI	Statutory Instrument
SIRDC	Scientific and Industrial Research and Development Centre
SMEAZ	Small and Medium Enterprises Association of Zimbabwe
SMP	Staff-Monitored Program
SOW	Scope of Work



SS	Survey of Services
STTA	Short Term Technical Assistance
TCN	Third Country National
TFTA	Tripartite Free Trade Area
TIPS	Trade and Industrial Policies Strategies
TRALAC	Trade Law Centre
TWG	Technical Working Group
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USAID/W	United States Agency for International Development/Worldwide
UZ	University of Zimbabwe
VAT	Value Added Tax
VMI	Volume of Manufacturing Index
WABAZ	Women Alliance of Business Associations in Zimbabwe
WB	World Bank
ZADMO	Zimbabwe Aid and Debt Management Office
ZELA	Zimbabwe Environment and Law Association
ZIA	Zimbabwe Investment Authority
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZimACP	Zimbabwe Agricultural Competitiveness Project
ZIMRA	Zimbabwe Revenue Authority
ZIMSTAT	Zimbabwe National Statistics Agency
ZNCC	Zimbabwe National Chamber of Commerce
ZWRCN	Zimbabwe Women's Resource Center and Network



# 1. PROGRAM HIGHLIGHTS

## Quarters 13-15, from Previous Progress Reports

### Assistance to ZEPARU

The following financial sector studies were completed and posted online by Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) under the mentorship of SERA:

- The **Zimbabwe Country Study on Negotiations for the Tripartite Free Trade Area (TFTA)** under the mentorship of the SERA-supported Consultant, Dr. Robert Kirk
- The **‘Cost Drivers Analysis of the Zimbabwean Economy’** study, the recommendations of which were adopted in the 2015 National Budget. The study also contributed to transforming the National Incomes and Price Commission (NIPC) into the National Competitiveness Commission.

### Assistance to ZIMSTAT

SERA continued to support the Zimbabwe National Statistics Agency’s (ZIMSTAT’s) activities to improve the availability of reliable statistical information, primarily through the Survey of Services activity and its support for the development of the ZIMSTAT website.

- Continued field data collection under the **Survey of Services** activity and initiated the data analysis.
- Completed collecting data for the **Central Business Register (CBR)** to ensure the canvassing of all establishments to ensure a sufficient survey sample size.
- Continued supporting **ZIMSTAT’s website development** by developing wireframes for the website, procuring ICT equipment, integrating the National Data Archive (NADA) module into the website, and compiling information on options for hosting arrangements for review by ZIMSTAT’s management.
- Provide training, in collaboration with the World Bank and the University of Cape Town, on utilizing the NADA modules

### Assistance to other key partners

In accordance with SERA’s programmatic shift towards expanding its key partnerships it collaborated with many Government of Zimbabwe (GoZ) and civil society organizations (CSOs) to implement the following studies:

- **‘The Nexus between Growth, Employment and Poverty in Zimbabwe: The Economics of Employment Creation’** study was completed and presented to a dissemination workshop in November 2014.
- The **‘Maize Marketing and Pricing Study’** was completed and delivered during Q15 and the planned stakeholder dissemination workshop will be held in Q17.
- The **Mining Revenue Mapping Study** was completed during Q15, and a stakeholder workshop is scheduled for early Q17.

- The Starting A Business Study, conducted in collaboration with The Zimbabwe Investment Authority (ZIA), entitled **‘On the Brink of Break-Through: Starting a Business in Zimbabwe’** was presented at a validation workshop in January 2015. This led to the identification of two major areas for immediate reform: the companies registration process and the Harare Municipal licensing mapping.
- The **‘Transactional Corruption Survey,’** undertaken with the Center for International Private Enterprise (CIPE) in collaboration with the Confederation of Zimbabwean Industries (CZI), Zimbabwe National Chamber of Commerce (ZNCC), and Small and Medium Enterprises Association of Zimbabwe (SMEAZ).
- The DFID-USAID co-funded report on **‘Formalizing Artisanal Small-scale Gold Mining’** was undertaken and finalized during Q13 and Q14.
- In collaboration with the World Bank, SERA assisted the Ministry of Finance and Economic Development (MOFED) in utilizing **Results-Based Budgeting**. The training will immediately assist the Ministry of Health and Child Care (MoHCC) and the Ministry of Primary and Secondary Education (MoPSE) in preparing budget allocations and planned results indicators for selected programs in preparation for an upcoming Public Expenditure Review (PER).

## Quarter 16

### Assistance to ZEPARU

While SERA’s focus continues to expand to directly supporting more GOZ agencies and CSOs it has continued to provide on-going support to ZEPARU in key areas:

- Continued to **support the ZEPARU Website** in hosting publications that are a vital source of policy information, including several that have conducted with SERA’s support.
- Concluded program **funding for three interns** with masters’ degrees in Economics, to assist with ZEPARU’s research and analysis activities.

### Assistance to ZIMSTAT

SERA continues to support ZIMSTAT in key areas, particularly website development and the Survey of Services.

- Began **data cleaning and coding** for the Survey of Services and established an imputation plan to account for any information gaps
- Completed the **design of the new ZIMSTAT website** and agreed with ZIMSTAT on all design specifications.

### Assistance to other key partners

SERA continued to expand its outreach and support to further GOZ agencies and CSOs with several continuing and new activities:

- Completed the second phase of PBB support to MOFED in collaboration with the World Bank by providing training to six new Ministries and provided assistance in dividing those ministries’ budget structures into programs and set objectives and performance measures. Supported ministries included the ministries of Women’s Affairs, Gender and Community Development; Higher & Tertiary Education, Science and Technology

Development; Agriculture Mechanization and Irrigation Development; and Local Government, Public Works, and National Housing. Two further ministries were directly supported by the World Bank.

## 2. INTRODUCTION

The USAID Strategic Economic Research and Analysis — Zimbabwe (SERA) Program contract took effect on October 1, 2011, with Nathan Associates Inc. (hereinafter “Nathan”) as the prime implementing partner. The four-year program has three Strategic Objectives, which may be summarized as follows:

1. Improved economic environment for inclusive growth through evidence-based policy analysis and research.
2. Strengthened capacity for policy development institutions.
3. Improved economic data for use by researchers, policy makers, and other stakeholders.

To achieve these objectives, the program is structured to produce four major results:

1. Improved human capacity for evidence-based economic policy analysis and policy management.
2. Strengthened institutional capacity in Government Departments for analyzing, adapting and implementing evidence-based economic policy options.
3. Strengthened research institutions providing analytical support to the economic policy process in response to needs of policy makers.
4. Improved quality, timeliness, and availability of economic data and statistics.

The SERA contract specifies three components (services and tasks):

1. Management and Administrative Services for assistance to a range of Government of Zimbabwe ministries, agencies, and civil society organizations, including, among other things, provision of short- and long-term technical advisors, research and training.
2. Technical Services to support policy reform and capacity development, including:
  - A. Assistance to ZEPARU through:
    - i. Research and Analysis
    - ii. Parliamentary Training
    - iii. Training of Economists (short-term and long-term)

Workshops (research dissemination and policy dialogue events)B. Assistance to ZIMSTAT

- C. Assistance to other Parties: During Year 4, SERA expanded its assistance to other stakeholders at the guidance of USAID/Zimbabwe.

The contract further provides general guidance on three cross-cutting issues: (1) coordination with other USAID programs, primary partner organizations, and other donors; (2) prioritization of pro-poor policies and inclusive growth strategies; and (3) application of a gender lens to all SERA undertakings.

SERA's mandate is to deliver support to strengthen human and institutional capacity for partner organizations; provide evidence-based research to the government and other stakeholders in areas of vital policy concern; rebuild the statistical foundations for economic studies and policy management; and create platforms for research dissemination and public discussion of research findings as a bridge from the technical analysis to effective reform.

The present report summarizes activities of the USAID SERA program from October 1, 2014, through the end of the fourth year of operations on September 30, 2015.

During the last year SERA has greatly expanded its outreach and technical assistance to several new GOZ and CSO partners as part of the programs strategic shift. Among these new partnerships, SERA's collaboration with the Zimbabwe Investment Authority (ZIA) has been particularly fruitful in creating the "Starting a Business in Zimbabwe" study, which has generated significant momentum within GOZ for economic reform. It has also created opportunities for SERA to expand its work into assessing municipal licensing reform with the Harare City Council and business registration reform that has received recognition from the Vice President of Zimbabwe. Additionally, SERA has also conducted a range of studies with the Ministry of Finance and Economic Development (MOFED), the Zimbabwe Economic Law Association (ZELA), the National Economic Competitiveness Forum (NECF), and the Parliament of Zimbabwe (POZ).

In addition to work with an expanded range of stakeholders within Zimbabwe, SERA has also collaborated closely with other USAID projects and international donors. SERA collaborated with USAID's Zimbabwe Agricultural Competitiveness Project (ZimACP) to examine to examine the effects of maize pricing on macroeconomic competitiveness, food security, and economic competitiveness. It is also co-funding program-based budgeting training for MOFED with the World Bank and shared funding with DFID to examine the impact of artisanal gold mining on Zimbabwe's economy.

Despite the transition to supporting a broader reach of partners, SERA has also continued to make substantial, though increasingly focused, contributions to ZEPARU and ZIMSTAT. For ZEPARU, SERA has continued to provide funding and technical support to maintain and improve the organization's website, supported short-term training activities and three internships, and continued to fund graduate-level training for government economists. With ZIMSTAT, SERA has continued to upgrade their website and support the Survey of Services to assess the contributions of the service sector to Zimbabwe's economy.

### **3. MANAGEMENT AND ADMINISTRATIVE SERVICES**

Year 4 activities continued to include actively managing program operations, finances, and contractual requirements.

#### **Management and Administration of Operations**

The management and administration of SERA operations proceeded smoothly throughout the year. Recurring tasks included the maintenance of accounts and records, timely payment of wages and payroll taxes, and ensuring compliance with USAID regulations on procurement and activities. Nathan headquarters provided efficient backstopping on contract administration, recruitment of consultants, financial management, procurement, and reporting, among other services.

This component of the project also entails the management and administration of programmatic activities in collaboration with our partner organizations, including ZEPARU, ZIMSTAT, ZIA, and Government Ministries. Tasks included developing and supervising STTA assignments, assisting in the design and implementation of training events, responding to other requests for assistance (including equipment procurements), negotiating contracts for technical activities, and assisting with planning and implementation of workshops or conferences. Sections 3 and 4 summarize the activities themselves. Technical leads Ashok Chakravarti and Rongai Chizema each manage a discrete portfolio of partner organizations and oversee program activities at the direction of the COP.

Maintaining full and open communications with USAID/Zimbabwe is a critical and ongoing element of our field operation. SERA Chief of Party (COP) Daniel Ndlela held regular weekly meetings with USAID Contract Officer Representative (COR) Joshua Smith, to discuss all aspects of program implementation. Bigboudy Chikwavarara, the Activity Manager for the SERA-funded bursary program, took over COR responsibilities on an interim basis after the departure of Joshua Smith, until Tom DiVincenzo became the full-time COR. The coordination meetings with USAID were attended by SERA's two Technical Leads.

#### **Staffing**

The program made one major staffing addition during the year by adding Senior Economist Rongai Chizema to technically lead program activities in collaboration with the Senior Technical Advisor and at the direction of the COP. His deep technical knowledge of program subject matter and experience working within GOZ have made him a highly valuable addition to the field management team.

#### **Subcontractors**

During Year 4, all 272.6 days of STTA provided by the SERA program were fielded by Nathan. Table 1-1 shows end-of-Year 4 sub-contractor LOE.



**Table 1-1. Subcontractor LOE status**

<b>Subcontractor</b>	<b>Budgeted</b>	<b>Remaining</b>
Econsult	78	34
IBI	156	82
IMANI	393	133
J.E. Austin	54	54

### Short-Term Consultancies

During Year 4, Nathan developed and implemented 7 new STTA assignments involving a cumulative ceiling of 184 approved work days, of which 167.5 days were completed by year-end. In addition 105.1 days of STTA support was implemented based on assignments that were initiated in Year 3 for a total of 272.6 days provided.

Of the 272.6 days of STTA delivered, all were implemented by Nathan. The assignments included 89.6 days for expatriate consultants (32.9 percent), 55 days for local consultants (20.2 percent), and 128 days for third-country consultants (47 percent). Finally, 31.1 percent of the STTA days were carried out by women.

Appendix B lists all Year 4 STTA assignments and their status. The assignments are explained at appropriate points in this report.

### Equipment

In June 2015 SERA purchased essential IT to support ZIMSTAT in upgrading its website.

All equipment is provided for use by SERA partners on the condition that SERA conducts quarterly check-ups and the understanding that the equipment remains property of the U.S. Government until such time as USAID may approve a conveyance of title, as completed for the graduated master's students. Nathan's field office maintains full inventory records on project equipment, which is available upon request from USAID.<sup>1</sup> Appendix C provides a list of equipment procured for use by partner organizations and bursary recipients.

To support program operations, in March 2015 SERA purchased a laptop computer and mobile phone for use by the new Senior Economist. SERA also purchased a new copier to replace the old one, which had become faulty.

### Environmental Compliance

During program start-up Nathan consulted with USAID about procedures for compliance with USAID guidelines for environmental safeguards. At that time the Mission Environmental Officer determined that SERA activities would fall under the Categorical Exclusion provision of the regulation, and that no action was needed. Near the end of Q4, USAID informed Nathan that it may need to produce an Environmental Mitigation and Monitoring Plan (EMMP) and review its environmental compliance documentation with the COR and the regional environmental advisor. As of the end of Year 4 there has been no further instruction on this issue.

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<sup>1</sup> The USAID SERA Program contract calls for Nathan to submit a Property Report upon written notification from the COR. During Year 3 no request was received for this report.

## Financial Management

All financial management functions were carried out smoothly during Year 4. Project expenses for Year 4 will be presented separately in the Quarterly Financial Report for Quarter 16 (July-September 2015).

Financial management in the field remained the responsibility of the Finance Officer, under the immediate supervision of the Program Manager, Angeline Zengeni (who is a certified accountant with an MBA). The field office responsibilities included: establishing and maintaining field accounts in QuickBooks On-Line; managing the field bank account and cash box; paying field expenses, with audit-ready documentation; submitting monthly financial reports to Nathan headquarters; producing cash forecasts and pipeline forecasts; handling payroll, including timely payments to ZIMRA, NSSA, and AltFin (for health coverage); submitting VAT refund requests via USAID; maintaining a complete inventory of project property; handling customs clearance logistics, as needed; and ensuring compliance with USAID regulations relating to expenses and financial management.

Financial management at Nathan headquarters remains the responsibility of the Project Accountant, assisted by the Project Director and Project Coordinator. Headquarters responsibilities include: preparing and submitting monthly invoices to USAID; managing invoices from and payments to subcontractors; producing quarterly financial reports and accrual reports for USAID; responding to technical queries and money transfer requests from the field office; handling contracts and payments for STTA consultants who are contracted through HQ; and ensuring compliance with USAID regulations relating to expenses and financial management.

## VAT Refunds

At the end of Year 4, out of a total claim over four years of \$51,797.36 SERA had received VAT refunds amounting to \$42,961.47 from the Zimbabwe Revenue Authority (ZIMRA) covering claims for operations in Harare. A further \$2,074.65 has been reported to have been refunded by ZIMRA, however, this amount has not yet deposited into the Nathan Associates Inc. bank account as it is still held by the local American Embassy for posting. This leaves seven months of monthly claims for VAT refunds amounting to \$6,761.24 unpaid and still to be processed by ZIMRA. The SERA Program Manager will continue to communicate with USAID's finance office to facilitate the reimbursement process.

## Reporting

During Year 4 Nathan Associates complied with all reporting requirements, including the submission of the Year 5 Work Plan following the Program's extension by USAID, the M&E Plan, Quarterly Performance Reports, Quarterly Financial Reports and accrual reports, and monthly activity calendars.

Nathan prepared one "Snapshot" success story during Year 4. The Snapshot outlines SERA support to the 'Cost Drivers Study', which made a substantial impact on the Zimbabwe policy landscape. The Snapshot is incorporated in the present report as Appendix F.

## 4. TECHNICAL ASSISTANCE TO ZEPARU

This section of the report reviews SERA support to ZEPARU during Year 4. The COP, formerly the Resident Advisor to ZEPARU, continued to maintain a close collaborative relationship with ZEPARU management, and provided assistance in planning, developing, and managing SERA-supported activities. He continued to hold coordination meetings with ZEPARU to address the agenda for SERA support, implementation arrangements for these activities, a variety of technical issues relating to ZEPARU research and training, monitoring progress of SERA-supported activities, and problem solving as needed.

During Year 4 SERA's support to ZEPARU primarily focused on training economists (short term and long term). To provide detailed information on the effectiveness of SERA's training support to ZEPARU, the SERA Training/M&E Coordinator continued to provide approximately 70% full time support to ZEPARU-related activities during the first half of the year. As the project continued to shift towards engaging other stakeholders the Training/M&E Coordinator's support realigned to around 30% support to ZEPARU-related activities to match with the shift in program priorities and resource allocation.

As part of its support for training economists, SERA completed its funding for three interns with masters' degrees in Economics to assist with ZEPARU's research and analysis activities. This activity was a vital component of research support, capacity building, and training to ZEPARU and it is hoped that this current crop of interns will continue to work under ZEPARU under different fund arrangements.

SERA has continued to support the ZEPARU website as it hosts publications that have been funded by SERA since the start of the program, and it continues to be a vital source of policy information. In coordination with enhancing the website, the COP has continued to work with ZEPARU's Outreach Officer to improve the dissemination of data and analysis hosted on the website.

### Research and Analysis

For this component of the program, SERA's focus in Year 4 mainly on the following activities.

#### Cost Drivers Study

SERA finalized the Cost Drivers Analysis of Zimbabwe Study with the Ministry of Industry and Commerce (MIC) with the MIC publishing the report based on its adoption by the Cabinet. The Study influenced 1) the change of the National Incomes and Price Commission (NIPC) to a new National Competitiveness Commission (NCC) and 2) the establishment of a Cabinet Standing Committee on the Cost of Doing Business. SERA funded the printing of the study to more broadly disburse the study's findings and promote continued policy reform based on the findings. Previously, the study was posted to the ZEPARU website and was circulated through email alerts, from which it was found to have high value. Therefore, SERA funded its printing during Q15 to reach a broader audience. The MIC also began implementing one of the study's major recommendations by holding stakeholders consultations on National Competitiveness

Commission Legislation. A stakeholder workshop was launched to amend the National Incomes and Price Commission (NIPC) and transform it from a price monitoring and regulatory authority into the National Competitiveness Commission. SERA has actively supported the review of the proposed bill in order to ensure that it not only adequately addresses the competitiveness agenda, but that price setting in Zimbabwe lives up to the principles of transparency and accountability and thereby promotes good economic governance among both public and private institutions.

### Modelling Training

SERA continued to work with ZIMSTAT to secure the supply and use tables needed to implement an effective modeling training, through which a Social Accounting Matrix will be developed. In relation to this activity SERA continued to monitor website use and public information dissemination of previously funded research products.

### Website Development and Public Information

The ZEPARU website serves as the organization's primary interface with stakeholders and the world at large. SERA supported the redesign and development of a new website in Year 2, and assisted ZEPARU to populate the new site with links to documents on the Zimbabwean economy, development think tanks around the world, research websites, data sets, and blogs by leading development economists, in addition to promoting ZEPARU's own research products. During Year 4 ZEPARU continued to populate the website, and the ZEPARU Library/Outreach Officer began emailing users to announce ZEPARU products as they were placed on the website. SERA has continued to assist ZEPARU in maintaining the website to promote the dissemination of ZEPARU research products, including those that have been funded through SERA.

### Training of Economists (Short Term)

In collaboration with ZEPARU, during the first quarter of Year 4 SERA provided six sponsorships for local economists to attend three external short-courses relating to ZEPARU's training priorities.

Table 4-1 shows the courses and individuals covered. A summary of the course content has been provided in the Q13 quarterly report (see Appendix A).

**Table 4-1. Year 4 Support for External Training**

Name	Gender	Organization	Position
<b>DATA REQUIREMENTS FOR ECONOMIC MANAGEMENT: SYSTEM OF NATIONAL ACCOUNTS 6-17 OCTOBER 2014, LILONGWE, CONDUCTED BY MEFMI</b>			
Ndovorwi, Edinos	M	RBZ	Senior Economist
Mudhunguyo, Chathebert	M	MOFED	Senior Economist
Chiwunze, Gamuchirai	M	ZEPARU	Research Fellow
<b>MACRO-PRUDENTIAL SUPERVISION AND BASEL III 7-9 OCTOBER 2014, WINDHOEK, CONDUCTED BY MEFMI, FINANCIAL STABILITY INSTITUTE &amp; TORONTO CENTRE</b>			
Berejena, Nicholas	M	RBZ	Senior Bank Examiner
Charumbira, Gideon	M	RBZ	Senior Bank Examiner
<b>REVENUE POLICY AND ADMINISTRATION</b>			

Name	Gender	Organization	Position
3-7 NOVEMBER 2014, KIGALI, CONDUCTED BY MEFMI			
Tshuma, Melusi	M	MOFED	Economist

*Note: All courses conducted in 2014 except as noted.*

SERA continues to require each short-course participant to submit a short report on highlights and main lessons from the training as a condition of attending the trainings. The reports are available from the SERA office, on request. Participants also agree to provide briefings to their colleagues, if asked by their superiors to do so. In addition, every economist receiving USAID SERA sponsorship to attend an external short course agrees to complete a questionnaire six months after the event, to monitor knowledge retention and utilization of the training. These six month post-training evaluations continued into Year 4.

SERA further continued funding three ZEPARU interns with masters' degrees in economics, to assist with ZEPARU's research and analysis activities, which will continue through September 2015.

### Customized Short Courses

In addition to sponsoring participants for external training, SERA provided two customized in-country short-courses that are tailored to meet the country's specific needs.

#### **Financial Programming and Policies (FPP) Training**

In mid-January 2015 the Reserve Bank of Zimbabwe (RBZ) Economic Research and Policy Enhancement Division requested training support to strengthen capacity in (FPP). In response, SERA has worked with RBZ to develop an FPP Modeling training program to assist economists in the RBZ and MOFED in macroeconomic policy analysis, simulation and forecasting.

The program, which will be implemented in five phases, is expected to be completed within a period of two years, as follows:

- Phase 1: Construction of an Excel file with Zimbabwean data featuring the four main macroeconomic accounts
- Phase 2: Checking for data gaps and consistency of the four macroeconomic accounts;
- Phase 3: Construction of a Baseline Scenario;
- Phase 4: Using the financial program to construct policy scenarios; and
- Phase 5: Using the financial program to construct a Flow of Funds statement and for policy analysis and simulations.

In March 2015, SERA, together with the RBZ and ZEPARU, implemented the first phase of the Financial Programming training. The training workshop was held from 16-20 March 2015 at the Kadoma Hotel and Conference Centre. SERA co-funded this training activity with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), which provided their faculty for the training. Apart from policy formulation, analysis, and forecasting, the Financial Programming and Policies training workshop provided data consistency checks and a basis for RBZ and MOFED to exchange notes with the International Monetary Fund and investigate policy scenarios produced for Zimbabwe during IMF mission visits. The training

was attended by eleven members of the Financial Programming Technical Team (eight men and three women) from the RBZ and MOFED. The training focused on the construction of an Excel-based Financial Programming and Policies Framework with four macroeconomic accounts populated with Zimbabwe data. The workshop built on the knowledge that the participants had acquired through various training programs on Financial Programming & Policies.

In collaboration with MEFMI, SERA supported the second phase of the FPP training in September 2015. The one-week training workshop was held from 21-25 September 2015 at the Kadoma Hotel and Conference Centre. This was a follow-up to the first phase of the training which was held in March 2015. The second phase of the program focused on improving the Financial Programming Framework Excel file by eliminating data inconsistencies and providing additional conceptual training on Financial Programming through the training faculty provided by MEFMI. The FPP training is a long-term macroeconomic institutional building exercise meant to develop a consistent macroeconomic model that incorporates consistency accounts and behavioral equations of the main macroeconomic agents. The workshop was attended by twelve members of the Financial Programming Group (ten men and two women) from the RBZ, MOFED, and ZIMSTAT.

The third phase of the program is scheduled for 14-18 March 2016 during Year 5, and all subsequent phases are expected to be completed in 2016.

### ***Macroeconomic Modeling Workshops***

SERA, together with the RBZ and MEFMI, also laid plans for the in-country training workshops on Macroeconomic Modeling for Zimbabwe, which will be implemented in 3 phases. The first phase is scheduled for October 2015. The SERA Program will co-fund the training event with MEFMI, which is providing technical assistance to RBZ to develop a small scale macroeconomic model for Zimbabwe. The model is expected to be an economy-wide model for use in the assessment of the effects of monetary and fiscal policy through forecasting and simulations. This will enhance the transparency and integrity of fiscal numbers in modeling, in turn enabling the fiscal authorities to more accurately forecast economic and social trends in the economy.

### **Training of Economists (Long-Term)**

A major contribution of the USAID SERA Program to training government economists is the provision of full bursary support for up to 20 individuals to pursue a part-time M.Sc. program in Economics at the University of Zimbabwe, and for up to five individuals to pursue Ph.D. programs in Economics at the University of Cape Town, or other major regional institutions outside Zimbabwe. This bursary support is limited to government economists (broadly defined) who must be accepted on merit into their respective academic programs, have written approval from their home ministry, and remain in good academic standing. The selection process and eligibility criteria are outlined in previous Annual Reports.



*Figure 1. Ph.D Bursary graduate Nebson Mupunga receiving his degree*



### M.Sc. Bursary

Our support for the M.Sc. bursary program covers tuition and fees, laptop computers for the duration of the studies, thesis support for third-year students, and a calibrated transportation allowance.

In Year 4, SERA supported eleven students, eight of which are in their final year and passed their thesis research. They are on course to graduate in October 2015. This brings the total number of students who have graduated under the ZEPARU/SERA M.Sc. Economics Bursary to 15. The three remaining students are in their final year and will complete their studies in 2016.

At the end of Year 4, SERA is actively providing bursary support to three female economists as ZEPARU Scholars at UZ (see Table 4-2).

**Table 4-2. Bursary Recipients in UZ Part-Time M.Sc. Economics Program at End of Year 4**

<b>Name</b>	<b>Organization</b>	<b>Year of Study to Jun. 2015</b>	<b>Year of Study as of Aug. 2015</b>
Chimombe, Shaw	Ministry of Industry and Commerce	3	Done
Chivore, Pepukai	Ministry of Industry and Commerce	3	Done
Gwandiregera, Benson	Ministry of Finance and Economic Development	3	Done
Makacha, Karakadzai	Ministry of Finance and Economic Development	3	Done
Masiwa, Innocent	Ministry of Finance and Economic Development	3	Done
Mudhunguyo, Chathebert	Ministry of Finance and Economic Development	3	Done
Muzimba, Douglas	Ministry of Finance and Economic Development	3	Done
Njokwe, Getrude (F)	Ministry of Industry and Commerce	3	Done
Mugandani, Alwyn Save	Zimbabwe Revenue Authority	3	Thesis under review
Sowa, Betty (F)	Zimbabwe Revenue Authority	2	3
Chikwede, Klery (F)	Ministry of Youth Development Indigenisation and Empowerment	2	3
Ncube, Sukoluhle (F)	Ministry of Transport, Communication and Infrastructural Development	2	3

*Active students currently on the bursary program: Total = 3; Female= 3*

## Ph.D. Bursary

As of the beginning of Year 4, ZEPARU and SERA were supporting three candidates, all from RBZ, for a Ph.D. bursary.

During Year 4 one of the students, Mr. Nebson Mupunga, a Principal Economist and Deputy Division Chief of the Economic Research Division of the Reserve Bank of Zimbabwe, finalized his thesis entitled “Assessing the Optimal Size and Composition of Public Debt in Zimbabwe” with the assistance of his supervisor in November 2014. He successfully completed his part-time study program for a Ph.D. degree in Economics at the Nelson Mandela Metropolitan University (NMMU), Port Elizabeth, South Africa, and received his Ph.D. degree on April 16th, 2015.

The USAID SERA program continues to fund two other ZEPARU Ph.D. scholars, who are also RBZ economists:

### Mr. Prudence Stephen Moyo

Position: Senior Economist, Economic Research Division, RBZ

Program: M.Phil./Ph.D. in Economics

University: University of Pretoria

Dissertation: Macroeconomic Dynamics and Stability in a dollarized economy: A case for Zimbabwe.

Mr. Moyo registered his thesis title at the beginning of Year 4. His current work in progress is primarily finalizing and completing Chapters 1-3 of his thesis. Chapter 1 focuses on the end of hyperinflation and an overview of the Zimbabwean economy. Chapter 2 is on Bayesian Analysis of output, inflation, and interest rates. Chapter 3 explores optimal fiscal policy in a dollarized economy. Mr. Moyo worked with his supervisor on narrowing down his modelling framework on fiscal policy in a dollarized economy. He reviewed literature and estimated the Bayesian VAR model using matrix laboratory (MATLAB) to support the preliminary results observed from his dynamic stochastic general equilibrium (DSGE) modeling framework. In September 2015, SERA funded Mr. Moyo to travel to Cape Town, South Africa to present his paper entitled ‘Optimal Fiscal Policy in a Dollarised Economy’ at the Biennial Conference of the Economic Society of South Africa. The workshop was held from 2-4 September 2015 at the University of Cape Town. During the workshop Mr. Moyo received comments and suggestions on improving his paper and finalized the structure of his thesis with his supervisor. Chapter 4 of his thesis will focus on estimating optimal fiscal policy in a dollarized economy using observed data in a DSGE framework developed for a dollarized economy. Plans are underway for Mr. Moyo to travel and meet with his supervisor in October 2015 to expedite the completion of his PhD studies.

### Mr. William Kavila

Position: Chief Economist, Economic Research & Policy Enhancement Division, RBZ.

Program: PhD in Economics

University: Nelson Mandela Metropolitan University (NMMU), Port Elizabeth.

Dissertation: “A Dynamic Analysis of the Role of Monetary Policy in Zimbabwe under Periods of Hyperinflation and Dollarization”

In Year 4, Mr. Kavila worked on finalizing all eight chapters of his thesis and travelled to NMMU in April 2015 to seek guidance from his supervisor on completing it. His supervisor approved the submission of his thesis in August 2015 after some language and technical editing as per University policy. The language and technical editing was conducted by Mr. Fred Geel, a Lecturer in the Linguistic Department of NMMU. Mr. Kavila is currently awaiting comments



from external examiners to incorporate in his thesis for final submission and plans to graduate in April 2016.

The SERA Program office – especially Training/M&E Coordinator Emmanuella Matorofa – has been working closely with the M.Sc. students and the three Ph.D. candidates to ensure that all contractual and financial requirements are met by both parties in the bursary programs.

## 5. TECHNICAL ASSISTANCE TO ZIMSTAT

SERA continued to support ZIMSTAT on two priority activities during Year 4: 1) continuing to canvas the Census of Services (now Survey of Services [SS]), and 2) support of ZIMSTAT's website development, two activities that are cornerstones for improving the quality of economic statistics in Zimbabwe.

To manage ZIMSTAT activities, the COP has continued to play an active role in meeting with ZIMSTAT and officials at other major agencies supporting ZIMSTAT in the area of economic statistics and institutional capacity building, notably the United Nations Development Programme (UNDP), the World Bank, and DFID. The COP has been assisted by Senior Statistics Specialist Beverley Carlson with intermittent technical support to develop and manage the program of support to ZIMSTAT. She has identified statistics consultants for STTA, reviewed scopes of work for these assignments, and reviewed technical aspects of SERA activities with ZIMSTAT.

### Support for the Survey of Services (SS):

During Year 4 ZIMSTAT completed the Survey of Services field data collection, began data processing, and completed a detailed imputation plan. SERA's Senior Statistical Advisor, Beverley Carlson, is currently reviewing ZIMSTAT's inputs to this point for quality assurance and ZIMSTAT will update all work completed to date based on her recommendations.

Based on the recommendations from the Senior Technical Advisor, ZIMSTAT has already begun to re-canvass entities that did not respond to the Central Business Registry (CBR) survey when it originally collected SS data. ZIMSTAT is particularly prioritizing Harare, to ensure an adequate response rate..

The information gathered by the SS activity will assist the government in the formulation of policies for economic planning and in monitoring and evaluation of various development programs. The information will also be used to estimate the contribution of the service industry to the Gross Domestic Product (GDP), and will be used by the private sector and the general public in research and marketing projects.

### Support for ZIMSTAT Website Development:

During Year 4 SERA began developing ZIMSTAT's new website, which is phase 2 in updating the website based on phase 1 of designing the website based on identifying a comprehensive set of specifications, completed in Year 3. SERA contracted a local website developer, ZARnet, to develop the site and facilitated discussions with ZIMSTAT finalize the site's colors and visual style selections. All parties agreed that ZARNET would develop the website on their own servers SERA then compiled information on hosting options for review by ZIMSTAT's management to make a final determination on running the site. The assessment outlined financial, organizational and security considerations related to selecting a hosting arrangement, and ZIMSTAT determined to continue their arrangement of in-house hosting. Based on that determination SERA has procured the necessary hardware to host the site.

ZIMSTAT has continued to coordinate with the World Bank Accelerated Data Program and conducted NADA training. The website developer has since worked in collaboration with the

World Bank NADA module developer to build the required functionality and integration of the publication management NADA module, which is available from the “Publications On” box, and the “Publications” link on the main menu. Currently, three testing studies and publications used during the NADA module training at the University of Cape Town are available.

The remaining steps to make the website fully operational include reviewing the website feedback from ZIMSTAT and reaching an agreement with the local developer on a timeline for completion, including site migration, populating the NADA module with ZIMSTAT materials, and agreeing on training of ZIMSTAT personnel and dates.

## 6. TECHNICAL ASSISTANCE TO OTHER PARTIES

### Formalizing Artisanal Gold Mining in Zimbabwe

SERA implemented the ‘Formalizing Artisanal & Small-scale (ASM) Gold Mining and Trading in Zimbabwe’ activity with PACT, co-funded by DFID and USAID, continued during Q13 -14. SERA hosted the second dissemination near the end of Q13, and the final ‘ASM Gold Report’ was submitted in Q14. The purpose of the survey was to gain an understanding of the dynamics of gold production, gold processing, gold sales, and regulation of the sector. SERA’s co-funding of the study covered the desk review of the legal and policy framework regulating the ASM gold mining and the completion of a desk-based comparative study of international best practice in regulating gold production and trade.

### Mining Revenue Transparency

As part of recommendations from the Mineral Revenue Transparency study, SERA conducted the ‘Mining Sector Information Mapping Study’ during Q13 - Q14. The study was undertaken by two local consultants from the Zimbabwe Environmental Lawyers Association (ZELA) under SERA funding. The study sought to bridge the knowledge gap by carrying out an information mapping exercise that will clarify the various stages of mining for stakeholders and identify the deliverable data/information that stakeholders can expect in their efforts to understand the industry for purposes of investment, regulation, taxation, or benefit extraction.

The activity began in Q13, commenced in in late Q14, and was completed during Q15, and was validated at a stakeholder workshop in Q16. The availability of the information to all stakeholders will lead to not only a better understanding of mining, but also a corresponding rationalization and matching of expectations between stakeholders, leading to a mutually beneficial co-existence. This will also help bridge the knowledge gap, which is expected to result in better partnerships for better policymaking.

The study will also provide important information that will result in a better understanding and partnerships for better policymaking. It is therefore an important tool towards strengthening transparency and accountability in the mining sector through empowering the public sector, private sector, parliament, and civil society with the requisite information to meaningfully engage on mineral governance in Zimbabwe.

### Starting A Business

SERA supported the Zimbabwe Investment Authority by funding research on Starting a Business. SERA commissioned a study by international consultant Olin McGill entitled ‘**On the Brink of Break-Through: Starting A Business in Zimbabwe**’, which was completed during Q13 and presented to a Stakeholder Validation working in early Q14, January 2015.

The study made several key findings, particularly that business registration is disjointed such that companies are required to interact with numerous institutions, including the Registrar of Companies, Zimbabwe Revenue Authority, National Social Security Authority (NSSA), Zimbabwe Manpower Development Fund (ZimDev), and local authorities. In all, the process takes over 90 days to complete while costing over \$1,500 to register. The effect makes it difficult for investors to get their businesses licensed, forcing them to either abandon opening new



Figure 2 Mr. Sichoni Takoleza, head of Operations, ZIA

In response to the study, GOZ has created an Inter-Ministerial Committee chaired by the Minister of Industry & Commerce to reduce the Cost of Doing Business and enhance productivity. The committee made a series of recommendations based on the study, which have been adopted by the Cabinet to reduce labor costs, license more power reducers to decrease energy costs, create a credit rating bureau to assess borrower risk, and created the National Competitiveness Commission (NCC) to review current business regulations and streamline registration procedures.

From Q15 to Q16, SERA focused on follow-on activities supporting the recommendations of the study 'On the Brink of Break-Through: Starting a Business in Zimbabwe', mainly concentrating on the necessary regulatory reforms in the company registration and municipal licensing systems.

### Business Registration

A Company Registration Reform study was completed and presented to a High Level Company Registration Reform workshop during Q16. The study endorsed the findings of the report and recommended that work should commence immediately on the implementation of the reform activities. The main recommendations were:

1. An online business registration system (OBRS) be designed and implemented to replace the old manual system.
2. The Private Business Corporations Act and the Companies Act, and accompanying regulations be amended to conform to international best practices and the requirements of the OBRS.
3. That in order to overcome the lack of transparency, accountability, and the potential for corruption created by the existing company registry records, which number over 400,000

businesses in the country or operate without licenses. In Harare alone, the local authority issued 8,000 licenses in 2013, but it is estimated that between 80,000 to 100,000 businesses operate in the city. These factors directly lead to Zimbabwe's ranking as 171 of 189 countries on the World Bank's Doing Business index.

The dissemination workshop was attended by 91 delegates representing government ministries, departments and parastatals, and the private sector, and was chaired by Col. C. Katsande, Deputy Chief Secretary, Office of the President and Cabinet (OPC). The two major areas identified for immediate business regulatory reform include the registration of companies and municipal licensing. As part of improving the registration of companies process, SERA has sponsored a high level delegation to visit New Zealand's Company Registry, led by the Permanent Secretary of Ministry of Justice, Legal and Parliamentary Affairs.

and date back to the 1890s, all companies in Zimbabwe be required to re-register on the new online system.

Following the High Level workshop, the Office of the President set up six Thematic Groups to manage the various areas of Doing Business reform. The Thematic Group on Starting a Business (SAB) has now come up with a specific 100 Work Plan with milestones and detailed activities. SERA is taking a leading role in supporting the SAB Thematic Group, and various activities to bring about the implementation of agreed reforms will commence early in Q17.

### **Municipal Licensing**

Following observations from the ‘Starting A Business Study’, which revealed that more than 60% of bottlenecks of doing business in Zimbabwe are caused by the bureaucratic municipal business licensing system, SERA initiated a Business License Mapping exercise with the Harare City Council (HCC) during Q15. This mapping exercise, which will inform the specific reforms to be undertaken on the current business licensing system to improve the doing business environment in the country has been completed and a High Level Stakeholder Workshop on Municipal Business licensing as held on the 30 September 2015. The workshop, which was officially opened by the Minister of Local Government and National Housing, drew participants from local authorities, Urban Councils’ Association of Zimbabwe (UCAZ), non-state actors (such as the Combined Harare Rate Payers Association (CHRA), the Zimbabwe United Ratepayers Association (ZURA), and other relevant CSOs), the public sector, and the private sector. Some of the highlights of the recommendations from the High Level Workshop include the following:

- Streamlining the license issuing process;
- Reviewing and rationalizing the system to improve efficiency and revenue collection.

The Workshop agreed on a work plan that plots specific reforms to be implemented in the short, medium, and long-term improve the business licencing system at the Harare City Council. The meeting also agreed on the need to roll-out similar reforms at other City Councils. Specific reforms will be implemented on this basis.

### **Results Based Budgeting**

In Q14 SERA partnered with the World Bank to fund the MOFED’s Results-Based Budgeting (RBB) activity, which is a key component of the Treasury’s Public Finance Management (PFM) Reforms for the benefit of improving governance, accountability, and service delivery. The objective of the support is to strengthen the Ministry’s capacity to provide training and support to other Ministries to lead the implementation of PBB efforts. This work is co-funded with DfID and the World Bank.

SERA supported GOZ with (a) the mapping the traditional budget to the already identified programs in the Ministry of Primary and Secondary Education and the Ministry of Health and Child Care, for which results will be monitored, (b) defining output indicators for these programs, and (c) contributing to the analysis of public expenditures in these sectors as part of a research project that the Ministry of Finance and Economic Development is conducting jointly with the World Bank.

The second phase of support to the MOFED was implemented in Q16 when SERA launched a mission for six new Line Ministries to receive Program Based Budget training, divide their current budget structure in programs, and set objectives and performance measures. Of this list, SERA consulted four Ministries, with Ian Mackenzie focusing support on: the Ministry of

Women's Affairs, Gender and Community Development and the Ministry of Higher & Tertiary Education, Science and Technology Development. Janine Mans supported the Ministry of Agriculture Mechanization and Irrigation Development and the Ministry of Local Government Public Works and National Housing. Two other ministries, the Ministry of Justice and the Ministry of Youth Development, Indigenisation, and Empowerment were supported in a collaborative effort with the World Bank.

## Transactional Corruption in Business Survey

SERA commissioned a survey of 400 Zimbabwean business owners in the cities of Harare and Bulawayo to assess their experience in conducting business, specifically the issue of transactional corruption. The aim of the survey was to gather information on business owners' experiences setting up their enterprises, dealing with government agencies, paying illegal fees, and understanding laws regarding business operations, tax payments, government tenders, etc. CIPE was the implementing partner, working with three local BMOs: the ZNCC, and CZI.

However, when it became clear that both ZNCC and CZI did not have the capacity to mobilize 400 enterprises in both Harare and Bulawayo, arrangements were quickly made to bring in another partner, the Small and Medium Enterprises Association of Zimbabwe (SMEAZ).

During Q15 the Center for International Private Enterprise (CIPE) began conducting the Survey, in partnership with a local research company, Q-Partnership, with active participation of the three BMOs: the CZI, ZNCC and SMEAZ. The Survey was conducted under the theme 'Cost of Compliance', and examined specific areas where opaque terms, duplicate regulations, lack of access to information, and too much discretionary power given to a public sector agency or service provider lends to opportunities and instances of transactional corruption.

The survey began in early July 2015, was completed with a total of 403 companies successfully surveyed, slightly over 100% of the expected number. Data processing has commenced and preliminary results will likely be available early in Q17. The Survey will greatly increase public awareness on the nature and impact of corruption on the Zimbabwean economy, and provide entry points for specific reforms and policy advocacy initiatives to stop the practice that has negatively impacted the country's parameters of doing business.

## Maize Pricing Study

SERA collaborated with USAID Zimbabwe Agricultural Competitiveness Project (ZimACP) to develop a study entitled '**Maize Marketing and Pricing in Zimbabwe: Implications for Macroeconomic Stability, National Food Security, Grain Industry Viability and Competitiveness**'. The study was to a large extent influenced by concerns over the implications of the Zimbabwe Government Statutory Instrument (SI)-122, and will analyze the implications for competitiveness and regional trade. In addition, the study will determine pricing options for consideration by policy makers, as well as assist in developing a consensus among grain industry stakeholders (including consumers) on the appropriate role for government in agricultural pricing and procurement in Zimbabwe's political context.

Although the Government eventually withdrew the controversial SI-122, the study remained relevant and always focused on the broader issues of the optimum maize pricing policy for the Government to adopt and maize pricing options for consideration by policy makers.

The Study also focuses on the debate about the consequences of such measures for macroeconomic and price stability, food security, and the viability of the local grain industry. The study also includes an extension of the Scope of Work to consider how to make the Grain



Marketing Board (GMB) a more viable institution. Maize, as the staple food for the country, does not only affect the incomes of the growers, but also impacts consumption levels of the rural and urban poor, who are net purchasers of the commodity. The final draft of the study was completed in Q15 for review by the SERA Team. The study was presented to USAID participants, which included a wider audience of other cooperating partners. The study was well received at this forum, and also received useful comments that were to be taken into account by the consultant in finalizing the paper. A stakeholder workshop is expected to take place in early Q17 to disseminate the study findings, under the auspices of the National Economic Consultative Forum (NECF). The NECF is a multi-sector stakeholder platform that brings together the public sector, private sector, non-state actors, and labor, as well as other strategic partners to enrich policy dialogue.

## Pension Industry Reform

SERA consulted with the Ministry of Finance and Economic Development (MOFED) and the Insurance and Pensions Commission (IPEC) to plan a Study on the Pensions Industry in Zimbabwe. The objective of the proposed Pension Industry Study is to expand evidence-based research that will inform appropriate policy reform in the Non-Bank Financial sector covering pensions and insurance. This follows a successful execution of financial sector studies in the past two years that have recommended the need to broaden the coverage of research to include the non-banking sector, a key variable in the mobilization of national savings and long-term investment capital.

During Q16 MOFED hosted a Reference Group meeting with key stakeholders from the Private and Public Sector to secure buy-in on the Scope of Work for the study. The meeting approved the Scope of Work for the study, the findings of which will also inform possible Pension Policy Reforms initiatives to be considered in the 2016 National Budget. The study is currently underway and will continue through Q17.

## Wages

Recently, there has been considerable debate that labor costs in Zimbabwe too high, and that the existing structure of wages and salaries in the public and private sectors are inequitable and not justified by considerations of productivity, and that wage setting mechanisms do not contribute to equity and efficiency. In response to these concerns, SERA has initiated a study on labor costs in Zimbabwe to be implemented by a local consulting firm, LEDRIZ. SERA is currently conducting a study on Zimbabwe's earnings structure and its impact on labor costs both in the public and private sectors in order to understand the constraints it places on the macroeconomic capability of the Government to support sustainable development and the ability of the economy to remain competitive.

The study is expected to consider the impact of labor laws, labor market flexibility, wage setting mechanisms, and the regulations and corporate governance standards underlying the determination of wage and management salaries in the public and private sectors. The NECF has agreed to provide a national platform for enhancing the national dialogue on these issues.

## Parliamentary Training

In collaboration with the Parliament and ZEPARU, SERA supported the preparation of the **Economic Literacy Toolkit and Handbook for Parliamentarians** in 2014. The Economic Literacy Toolkit is a major installment towards addressing the knowledge gaps of Members of Parliament on economic literacy, given the diverse academic backgrounds and experiences of the Zimbabwean legislators. Constitutionally, Parliament is central to safeguard public financial



resources, and hence economic literacy will have a profound impact on the legislature's capacity to hold the Executive accountable on public finance management, a major variable in economic governance.

During the course of Year 4, and particularly in Q15-16, SERA engaged the Clerk of Parliament to explore the possibility of commissioning the Economic Literacy Toolkit, initially targeting the Chairpersons of Parliamentary Portfolio Committees, given their leadership role in the Business of the House and the Joint Budget and Public Accounts Committee, as pilot Sessions ahead of beginning a capacity building program for all the Committees. Parliament welcomed this initiative, and is aiming to commission the Toolkit during current session of the House in order to ease potential logistical bottlenecks. The launch of the Parliamentary training will take place during Q17 at the beginning of Year 5 of the program.

Apart from the Parliamentary Toolkit, Parliament has requested that SERA share all policy-related studies it has supported with Portfolio Committees. Doing so will strengthen the economic policy-related engagement of the Executive during Plenary Debate to assert stronger public policy oversight in Zimbabwe.

## 7. CROSS-CUTTING ISSUES

The SERA contract identifies three cross-cutting issues as “general program parameters and guidance.” These are: (1) coordination with other USAID programs, primary partner organizations, and other donors; (2) prioritization of pro-poor policies and inclusive growth strategies; and (3) application of a gender lens to all programmatic undertakings. During Year 4, the program continued to provide greater focus on democracy and governance issues, serving as a platform for dialogue among stakeholders in Government, the private sector, labor, academia and civil society organizations.

### Coordination

The SERA COP actively engaged with various partner organizations and other donors. For instance, he and the Program Manager attended the Partners Meeting during SERA Year 4, at which the COP took part in a panel discussion on the general trends and focus of the Zimbabwean economy. He has also promoted collaboration between SERA and other partners, including ZimACP and Zimbabwe Works.

Outside the USAID community, the COP continued to have discussions on policy issues and program coordination with the WB, UNDP, and DFID, with particular focus on coordination of support to ZIMSTAT (see **5. Assistance to ZIMSTAT** above). In addition, the COP and the COR continued to organize meetings with other partners to expand SERA’s reach.

The COP also actively participated in the **Zimbabwe Works’ Project Launch Event – Partnering to Build Economic Opportunities for Young People**. The event marks the official launch of Zimbabwe Works Phase II. It also concerned the Phase I impact, expansion and innovation for programming to build economic opportunities for young people. The key speakers at the event included Mathew Breman, Africa Regional Director, International Youth Foundation; Stephanie Funk, USAID/ Zimbabwe Mission Director; and Annabel Gerry, Head of DFID/Zimbabwe.

### *World Bank and other Development Cooperating Partners (DCPs)*

During Year 4, work on Doing Business Reforms gained momentum, with MOFED formally inviting SERA to be a member of two Technical Working Groups (TWGs). There are four TWGs: **Starting a Business**; **Paying Taxes and Trading across Borders**; **Getting Credit and Resolving Insolvency**, and **Protecting Investors and Enforcing Contracts**. SERA was initially a member of the Starting a Business and the Getting Credit and Resolving Insolvency TWGs. This follows the successful execution of the two SERA supported studies on **Starting a Business**, and **Insolvency Resolution**. SERA’s contribution to the Doing Business Reforms Agenda will involve working with the World Bank, among other partners. The World Bank would also work closely with the targeted government institutions at the center of the reform activities to mobilize other Development Cooperating Partners (DCPs) to strengthen the funding structure for the business reforms.

SERA has continued to collaborate with other partners and in particular with the World Bank on Doing Business work. The two Technical Leads, Ashok Chakravarti and Rongai Chizema, actively participate in two Technical Working Groups (TWGs) with the World Bank: the Start A Business (SAB) and the Construction Permits TWGs.

SERA further coordinates its activities with other key stakeholders, namely NECF, POZ, Southern African Parliamentary Support Trust (SAPST), and COMZ.

### ***Collaboration with Parliament of Zimbabwe (POZ)***

SERA developed a collaborative framework with POZ. POZ is an important pillar of democracy and governance, given its representative, lawmaking, and Executive oversight role. This collaboration will facilitate the delivery of the Parliamentary Handbook on Economic Literacy which was developed through SERA's support during 2014. All current and future research will now be available to POZ for use by Portfolio Committees that shadow specific government sectors and ministries to enhance meaningful engagement and public policy oversight. SERA will work closely with SAPST, an NGO that already has a Memorandum of Understanding with the POZ to implement its activities.

### ***Collaboration with National Economic Consultative Forum (NECF)***

Given the strategic nature of the evidence-based research SERA is undertaking, as well as its potential for influencing national economic policy, it has engaged the NECF to facilitate high level stakeholder dissemination of SERA's forthcoming wage structure study findings. The NECF is a public-private sector initiative that provides a platform for economic policy dialogue on key current and emerging subjects of national significance. SERA has also been canvassing the involvement of other Non-State Actors in the policy dialogue process in its efforts to enhance the NECF's role as a credible policy advocacy platform for garnering broad-based and all-inclusive public policy advocacy initiatives. The NECF has since agreed to facilitate wider stakeholder dissemination of forthcoming studies, such as a study focusing on the wage structure, given its impact on productivity and competitiveness.

## **Poverty**

SERA is predominantly demand-driven. Therefore, the scope of the program's involvement with poverty issues has thus far been defined by the needs of our partner agencies. In conducting such research SERA consistently seeks to incorporate a poverty lens in approaching other policy issues. The fundamental goal of SERA's support for research, training, and outreach with ZEPARU has been to improve policy analysis and research dissemination in order to foster inclusive growth and employment creation as primary engines for poverty reduction.

As shown in the above summary of SERA's assistance to ZEPARU, several SERA-supported activities during Q13 continued to involve elements relating to poverty reduction. These included the Tool Kit for training Parliamentarians and the study entitled 'The Nexus between Growth, Employment and Poverty in Zimbabwe: The Economics of Employment Creation', which was presented at a validation workshop during Q13 which strongly focused on poverty and job creation. The study represents an integrated and coordinated approach to development, where employment and poverty reduction are at the heart of the macroeconomic framework. This inclusive approach ensures that the majority of Zimbabweans are empowered to actively participate in growing the economy and enjoy the benefits of such growth.

At the end of Q14 SERA finalized a poverty related study on 'Maize Marketing and Pricing in Zimbabwe'. The study directly addressed issues affecting poverty in Zimbabwe. In general, poverty exists when people lack the means to satisfy their basic needs, and basic foodstuffs, such as maize, form a critical basic need for the population of Zimbabwe. The agricultural community in Zimbabwe strives to produce food for themselves first, and excess for the market to generate income that will contribute towards attainment of other basic livelihood components. This is particularly the case for the smallholder farming sector under which the majority of Zimbabwean

farmers fall who have embraced cash crop farming to satisfy firstly basic needs then other non-basic needs. There is also the view that government price support through the strategic grain reserves has had some positive effects in creating an enabling environment for food security and income for poverty alleviation among farming communities.

The study on ‘**Mineral Revenue Disclosure and Information Needs of Various Stakeholders**’, completed during Q15, primarily focuses on disclosure of information, governance and revenue transparency issues, but also focuses on impacts on the reduction of poverty. The study concludes that mining companies that are already disclosing information must further disaggregate the information, particularly in relation to payments made to the Government. It also concludes that mining companies should publish information on employment data, local procurement, and investments in Corporate Social Responsibility (CSR) to local communities within their mine catchment area and to the wider public. Besides utilizing a poverty lens, this study focuses on democracy and governance issues such as regulation, oversight, and corporate governance frameworks, with the goal of bringing about reform, therefore making a significant contribution to improve corporate and economic governance and accountability.

For the ZIMSTAT component of the program, SERA’s support continued to concentrate on the follow-up of the CBR during Q13 to Q14 and the SS. ZIMSTAT singled out both the CBR and the SS as especially important initiatives, with the CBR being cited as critical to the compilation of economic data as the census is to demographic data, and that these are the only two statistical surveys mandated by special Statutory Instruments. The two survey instruments, especially the SS have implications for poverty reduction in the communities.

## Gender

SERA applies a gender lens to the maximum extent possible in developing all activities. As with SERA’s work on poverty issues, the demand-driven design of the SERA program dictates that approaches to gender mainstreaming are filtered through partners’ needs.

In addition to adhering to the standard practice of tracking participation in program activities by gender, SERA has continued to address gender considerations during Year 4. For instance, SERA has consistently taken on the following gender elements:

- Consistently emphasizing the importance of gender balance in meetings with all counterparts, ranging from ZEPARU, the GOZ, and other partners in all SERA-supported training and outreach activities.
- Working with all counterparts to meaningfully incorporate gender considerations into scopes of work for research supported by SERA. This is in line with earlier discussions between SERA, ZEPARU, and other partners on their new research programs, whether in public policy, private sector development, and areas of inclusive growth, to use a gender lens.
- Monitoring and evaluating activities to include scoring the gender content of research designs and SERA-supported studies (see Annex 1).
- Working with ZEPARU to come as close as possible to achieving gender balance in sponsoring economists for SERA-sponsored training activities. With reference to the activities summarized in Section 3, the results during Q14 were as follows:
  - MSc bursary: 4 women, 7 men.

- PhD bursary: 3 men, 0 women. The recruiting challenge for this program was discussed in earlier quarterly reports.

As continued from previous quarters during Q15, the SERA program specifically tailors its gender considerations to the specific needs of its stakeholders, and encourages those stakeholders to consider the implications of gender in their work when programming with SERA.

SERA tracks participants in all program activities by gender, for which the results are identified in Annex 1.

SERA also works closely with program stakeholders to achieve as much gender balance as possible in all SERA-sponsored training activities.

Appendix E presents data on gender-related M&E indicators for Year 4, by quarter, relative to targets. The program intends to continue pushing for gender balance in training activities and to improve on the extent of gender mainstreaming in research activities in Year 5.

## **8. WORK PLAN IMPLEMENTATION**

SERA has consistently pursued all activities that were developed for implementation during the Year 4 Work Plan in collaboration with project partners and in response to their expressed needs. As SERA is a demand-driven project, it must also stay flexible in responding to fluctuating demand from various stakeholders. During Year 4, the SERA program sought out additional opportunities to provide technical assistance to a wider spectrum of stakeholders including both GOZ Ministries and Civil Society Organizations to explore synergies between the SERA Program mandate and their technical focus.

Appendix D provides a table comparing the program's actual performance during Year 4 to activities targeted in the Work Plan.

## 9. CHALLENGES AND LESSONS LEARNED

The SERA team faced a number of challenges in Year 4, and addressed them as follows:

### **Absorptive capacity at ZEPARU**

SERA continued to work with ZEPARU to improve their absorptive capacity. The COP continued to assist ZEPARU in developing technical work and capacity building during the quarter. SERA continued to provide ZEPARU with a full-time Training Coordinator to augment their limited staff capacity. In addition, the program continued to provide case-by-case support for ZEPARU research and dissemination activities, including funding research interns and printing research products. As shown above in Section 3, ZEPARU has continued to request SERA support to print some of their policy research products. Although USAID declined the request to print the outsourced value chain studies on grounds that ZEPARU had not done enough in circulating the papers through the email, SERA agreed to print two ZEPARU products during Q13: (a) the re-print of the Parliamentary Tool Kit for distribution to members of Parliament; and (b) the study on Financial Sector Liberalization and Crisis: Experience and Lessons for Zimbabwe.

### **Proposal for Data for Supply and Use Tables**

Following a successful modeling course during Q12, SERA met with ZIMSTAT staff to discuss accessing data necessary for constructing a Social Accounting Matrix. It appeared from the meeting that the data does not exist. The principle source of this data gap in this exercise is the lack of Supply and Use Tables, particularly the latter. The argument is that Supply and Use Tables are normally constructed as part of the process of constructing the national accounts. Many statistical agencies now publish these as a matter of course.

However, when it became clear that obtaining Supply and Use Tables from ZIMSTAT through the program consultant with ZEPARU would continue to be a challenge, SERA began to engage with RBZ and MEFMI by offering a Macroeconomic Modeling training workshop, which caters for the Government's Macroeconomic Working Group that consists of MOFED, ZIMSTAT and the Central Bank.

### **Other Challenges**

With SERA having spread its outreach programs to cover a wide number of partners, it has become a challenge to coordinate between the increasing range of stakeholder demands. However, this challenge has been addressed by adding capacity to SERA's technical team by adding a full-time Senior Economist, Mr. Rongai Chizema, early in Q15. This hiring has enabled the program to split technical demands between two Senior Economists, each acting as the Technical Lead for their own discrete set of technical activities. The SERA team will be further strengthened by Training and M&E Coordinator Emmanuella Matorofa's accession to greater technical responsibilities in support of the two technical leads due to her demonstrated skill in managing program tasks.

## 10. PERFORMANCE MONITORING

Appendix E provides three matrices reporting the latest data on indicators for monitoring program performance at the level of outputs, results, and outcomes, respectively. A fourth matrix provides data on “context indicators,” which track Zimbabwe’s progress towards the USAID objective of improving the macroeconomic environment for growth. Although there are too many conflicting variables to attribute national macroeconomic changes to SERA programming, several observations from Year 4 are worth noting:

- In mid-2015 the MOFED revised the 2015 GDP growth rate from 3.2% to 1.5%, which is comparable to the IMF projections. The IMF GDP estimate for 2014 was 3.1%, and its current projections for 2015 and 2016 are 1.4% and 2.4%, respectively.
- Latest data from RBZ show that net inflows of Foreign Direct Investment estimate in 2014 amounted to \$472.8 million, which is a 26.7% increase as compared to 2013. RBZ projects that FDI inflows will be \$549 million in 2015.
- With regards to negotiations towards debt relief, the IMF conducted two reviews in 2015 under the 15- month Staff-Monitored Program (SMP). The first review was held from February 25 to March 9, 2015 and indicated that Zimbabwe had met all quantitative targets and structural benchmarks under the SMP. Throughout the year the IMF continued to support Zimbabwe’s economic reforms and monitored progress in the implementation of economic program in pursuit towards a debt relief strategy. An IMF mission visited Harare from 31 August to 11 September 2015 for the second review. The visit revealed that Zimbabwe authorities have made significant progress in implementing the financial sector and labor-market reforms, despite increasing economic and financial difficulties. The review also indicated that Zimbabwe had intensified efforts toward reengagement with the international financial community and developed a proposal for a strategy for resolving the country’s external arrears to the international financial institutions (IFIs). The remaining SMP policy agenda includes mitigating the impact of 2015 adverse shocks on external position and growth, improving the investment climate, restoring confidence in the financial sector, and garnering support for a strategy to clear arrears to the IFIs.
- Through 30 September 2015, the Registrar General recorded 9602 new business registrations, which is a 19.2% increase compared to the same period last year.
- Zimbabwe’s score on the World Bank’s Statistical Capacity Indicator improved from 58 in 2014 to 62 in 2015.



# **11. APPENDIX A. PROGRESS REPORT FOR JULY– SEPTEMBER 2014 (QUARTER 16)**

The Annual Report for Year 4 includes a summary of activities and results during Quarter 16 of the USAID SERA program (July-September 2015). However, the program contract also requires submission of Quarterly Progress Reports (QPRs) within thirty days following the end of each quarter, including quarters ending September 30 each year. In fulfillment of this requirement, in line with guidance from the COR, we hereby submit a condensed QPR for Quarter 16 as an Appendix to the Annual Report. Additional details on these activities are provided in the Annual Report.

## **MANAGEMENT AND ADMINISTRATIVE SERVICES**

SERA's management and administrative activity during the reporting period focused on operations, fulfilling reporting requirements, and planning for the program's extension to September 2016.

### **Operational Management**

Management and administration of SERA Program operations continued to proceed smoothly during the quarter under review. Recurrent tasks included maintaining accounts and records, making timely payment of wages and payroll, taxes, managing equipment inventory, and ensuring compliance with USAID regulations on procurements and activities. Nathan headquarters continued to provide efficient backstopping in the areas of contract administration, recruitment of consultants, financial management, and reporting.

From the start of the SERA Program, maintaining full and open communications with USAID/Zimbabwe is a critical and on-going element of the program's field operations. The SERA Chief of Party (COP) and the two Technical leads (TLs), Senior Program advisor Ashok Chakravarti and Senior Economist Rongai Chizema, continued to hold regular weekly meetings with USAID's Acting Contracting Officer's Representative (COR), Bigbony Chikwavarara following the departure of Josh Smith, to discuss all aspects of program implementation. The weekly meetings were actively attended by Snodia Chikanzi and Nino Nadiradze, Director of the Economic Growth Office. Tom DiVincenzo who replaced Josh Smith as the new COR arrived at the end of the quarter.

Managing and administering all program activities is done in close collaboration with the program's primary partner organizations, including ZIMSTAT, ZELA, ZIA, COMZ, ZNCC and CZI, all of which have become active participants in the program. Concomitant tasks include developing and supervising STTA assignments, training events, equipment procurements, and workshops or conferences. These activities are captured in technical sections below (see Technical Services: Assistance to ZEPARU and Technical Services: Assistance to ZIMSTAT)

along with the agenda of activities that are under development for the next quarter (see Planning for the next Quarter).

### **VAT Refunds**

At the end of Year 4, out of a total claim over four years of \$51,797.36 SERA had received VAT refunds amounting to \$42,961.47 from the Zimbabwe Revenue Authority (ZIMRA) covering claims for operations in Harare. A further \$2,074.65 has been reported to have been refunded by ZIMRA, however, this amount has not yet deposited into the Nathan Associates Inc. bank account as it is still held by the local American Embassy for posting. This leaves seven months of monthly claims for VAT refunds amounting to \$6,761.24 unpaid and still to be processed by ZIMRA. The SERA Program Manager will continue to communicate with USAID's finance office to facilitate the reimbursement process.

### **Reports**

During Quarter 16, SERA complied with all periodic reporting requirements, including submission of the quarterly financial and accrual reports. The program also submitted periodic weekly "bullets" on program highlights for distribution by USAID/Zimbabwe as warranted by activities.

### **Technical Management**

The COP continued to manage the program during Q16 with focused support from the two Technical Leads (TLs), Senior Advisor, Ashok Chakravarti and Senior Economist, Rongai Chizema. As shown in the Q15 QPR the two TLs have continued to divide their technical responsibilities as follows:

#### ***Ashok Chakravarti***

- Mining Information Mapping Study
- Grain Marketing and Pricing study
- Wage Structure Diagnostic Study
- Business Registration Reform System

#### ***Rongai Chizema***

- Pension Industry Study
- Survey of Transactional Corruption
- Parliamentary Training and Capacity Building
- Municipal Licensing System

#### ***Daniel Ndlela***

The COP retained technical leadership in the remaining work streams, namely:

- RBZ Financial Programming and Policies and Phase 1 of the Macroeconomic Model of Zimbabwe Training Project co-sponsored with MEFMI
- Results Based Budgeting for the MOFED co-sponsored with the World Bank

The remaining ZIMSTAT work-streams, are discussed below:

During Q16 the Nathan Headquarters team of Peter Miller, Tess Perselay, and Mathew Dellinger continued to coordinate and facilitate the projects inputs. During the quarter under review, the headquarters team coordinated ZIMSTAT's inputs on the Survey of Services Quality Report, Imputation Plan among others.

## TECHNICAL SERVICES: ASSISTANCE TO ZEPARU

SERA's support this quarter has continued the strategic shift towards providing more technical assistance affecting current national policy reforms while continuing to pursue some high value training activities. SERA's support to ZEPARU mainly focused on the training of economists (short term and long term). With the diminished focus on training activities, SERA's Training and M&E Coordinator, Evidence Ndari, began to manage ZEPARU's training activities in place of the previous SERA-funded ZEPARU M&E Coordinator to consolidate program resources.

SERA also continues to support the ZEPARU Website as it hosts vital publications that were funded by SERA program since the start of the program and continues to be a vital source of policy information. The SERA COP has continued to work with ZEPARU's Outreach Officer to improve its dissemination of data and analysis through the website.

SERA completed funding three interns with masters' degrees in Economics, to assist with ZEPARU's research and analysis activities. This activity was a vital component of research support, capacity building, and training to ZEPARU, and the intention, as was planned from the beginning of the activity, is that this current crop of interns will continue to work with ZEPARU under different funding arrangements.

## TECHNICAL SERVICES: ASSISTANCE TO OTHER PARTIES

### Mining Revenue Transparency

The Study seeks to bridge the knowledge gaps between mining stakeholders by carrying out an Information Mapping exercise. The exercise will clarify the various stages in the mining cycle and identify the information that is currently available for stakeholders to understand the industry for purposes of investment, regulation, taxation, or community benefit extraction. For dissemination, SERA has engaged the Chamber of Mines of Zimbabwe (COMZ) to organize and champion the stakeholders' validation and dissemination workshop, which will take place in Q17.

### Starting a Business

SERA began follow-on activities supporting the recommendations from its study "**On the Brink of Break-Through: Starting a Business in Zimbabwe.**" These activities are currently engaging key stakeholders to examine and undertake necessary regulatory reforms in the company registration and municipal licensing systems.

#### 1. Business Registration

SERA completed a Company Registration Reform study, and the report was presented to a High Level Company Registration Reform workshop, which was chaired by the Vice-President of Zimbabwe. The workshop endorsed the findings of the report and recommended that work should commence immediately to implement the reform activities. The main recommendations were to:

- Design and implement an on-line business registration system (OBRS) to replace the old manual system.

- Amend the Private Business Corporations Act and the Companies Act, and accompanying regulations, to conform with international best practice and the requirements of the OBRs.
- Require all companies to re-register on the new online system to overcome the lack of transparency, accountability and potential for corruption created by the existing company registry records numbering over 400,000 and dating back to the 1890's.

Subsequent to the High Level workshop, the Office of the President has established a structure of six Thematic Groups to manage the various areas of Doing Business reform. The thematic group on Starting a Business (SAB) has now created a specific 100 point Work Plan with milestones and detailed activities. SERA is taking a leading role in supporting the SAB thematic group and has agreed that the reform activities will begin in Q17.

## **2. Municipal Licensing:**

The “**Starting A Business Study**” revealed that more than 60% of bottlenecks to doing business in Zimbabwe are accounted for by the bureaucratic municipal business licensing system. In response, SERA initiated a Business License Mapping exercise with the Harare City Council (HCC) during Q15 in which it identified specific reforms to the current business licensing system to improve the doing business environment in the country. This quarter, SERA followed-up on that exercise by hosting a high-level stakeholder workshop on Municipal Business licensing was held on the 30<sup>th</sup> of September 2015. The Workshop was officially opened by the Minister of Local Government and National Housing and drew participants from Local Authorities, Non-State Actors (such as the Combined Harare Rate Payers Association (CHRA), and the Zimbabwe United Ratepayers Association (ZURA), and other relevant CSOs), public sector and the private sector. The workshop recommended taking action to streamline the licensing process and rationalize the licensing system to improve efficiency and revenue collection.

The Workshop agreed on a work plan that plots specific reforms to be implemented in the short-medium- to- long-term improve the business licencing regime at the Harare City Council. The meeting also agreed on the need to roll-out similar reforms at other City Councils. On this basis SERA will work with various stakeholders from the workshop to facilitate specific reforms.

## **Transactional Corruption in Business Survey**

During the quarter under review significant progress was made to complete the “**Transactional Corruption Survey**”. The study, which is being implemented by the Center for International Private Enterprise (CIPE), and a local research company, Q-Partnership, is being implemented in response to a request by the Business Membership Organizations (BMOs). These are the Confederation of Zimbabwe Industries (CZI), Zimbabwe National Chamber of Commerce (ZNCC), and the Small and Medium Enterprises Association of Zimbabwe (SMEAZ). The Survey, which is being conducted under the theme “**Cost of Compliance**”, will examine specific areas where opaque terms, duplicate regulations, lack of access to information, or too much discretionary power given to a public sector agency or service provider, lends to opportunities and instances of transactional corruption. It is also assessing the overall economic impacts of such corruption and in what sectors of the economy and business processes it is most common and has the great impacts.

The survey has now been completed, with a total of 403 companies having been successfully surveyed, and the data processing has commenced. Preliminary results are planned to be available in Q17. The Survey will help raise awareness on the nature and impact of corruption on the Zimbabwean economy, and provide entry points for specific reforms and policy advocacy

initiatives to stem the scourge that has impacted negatively on the country's doing business parameters.

### **Maize Pricing Study**

During Q15 SERA finalized a study entitled “**Maize Marketing and Pricing in Zimbabwe: Implications for Macroeconomic Stability, National Food Security, Grain Industry Viability and Competitiveness**”. Initially, this study was influenced by concerns over the implications of the Zimbabwe Government Statutory Instrument (SI)-122 which fixed the floor price of maize at \$390 per tonne. However, during the quarter GOZ withdrew this controversial statutory instrument. The study now focuses on the broader issues of what is the optimal maize pricing policy for GOZ to adopt and the maize pricing options for consideration by policy makers. It will also assist in developing consensus among grain industry stakeholders including processors and consumers, on the appropriate role for Government in agricultural pricing and procurement in Zimbabwe.

The Study also focuses on the consequences of existing maize marketing policy on macroeconomic and price stability, food security, and the viability of the local grain industry. It will further consider how to make GMB a more viable institution. It is understood that maize in particular, as the staple food for the country, does not only affect the incomes of the growers but impacts consumption levels of the rural and urban poor who are net purchasers of the commodity. SERA is currently reviewing the final draft of the study and planning a stakeholder workshop to take place early in Q17 to disseminate the study findings.

### **Wage Structure Study**

There has been considerable debate recently that labor costs in Zimbabwe are uncompetitive, that the existing structure of wages and salaries in the public and private sectors are inequitable and not justified by considerations of productivity, and that the wage setting mechanisms do not contribute to equity or efficiency. In response to these concerns SERA has initiated a Wage Structure study, in which a local research firm, LEDRIZ, will prepare a research paper on Zimbabwe's earnings structure and its impact on labor costs, both in the public and private sectors. The study will assess what effects the country's current wage structure has on the macroeconomic capability of GOZ to support sustainable development, and the ability of the economy to remain competitive.

The study will also consider the impact of labor laws, labor market flexibility, wage setting mechanisms, and the regulations and corporate governance standards underlying the determination of wage and management salaries in the public and private sectors, among other factors. The National Economic Consultative Forum (NECF) has agreed to provide a national platform for enhancing the national dialogue on these issues.

### **Pension Industry Reform**

SERA consulted with the Ministry of Finance and Economic Development (MOFED) and the Insurance and Pensions Commission (IPEC) to plan a Study on the Pensions Industry in Zimbabwe. MOFED and IPEC have confirmed keen interest on such a Study and its potential impact on improving the regulatory and governance framework governing this strategic sector. The objective of the proposed Pension Industry Study is to expand evidence-based research that will inform appropriate policy reform in the Non-Bank Financial sector covering pensions and insurance. The study will build-on several financial sector studies in the past two years that have recommended the need to also broaden the coverage of research to include the Non-Banking sector, a key variable in the mobilization of national savings and long-term investment capital.

The pensions sector complements the banking sector in providing liquidity to the economy, and unlike the latter, it provides stable long-term capital crucial for strategic investments such as physical infrastructure that anchor private growth and hence economic development. On the 20<sup>th</sup> of August 2015 MOFED hosted a Reference Group meeting with key stakeholders from the private and public sector to secure buy-in on the study's scope of work. The meeting approved the scope of work, and the study will also inform possible pension policy reform initiatives to be considered in the 2016 National Budget. The study will be initiated and completed during Q17.

### **Parliamentary Training**

In collaboration with POZ and ZEPARU, SERA supported the preparation of the *Economic Literacy Toolkit and Handbook for Parliamentarians* in 2014. The Economic Literacy Toolkit is a major tool in addressing the knowledge gaps of Members of Parliament on economic literacy, given the diverse educational backgrounds and experience of the Zimbabwean legislators. Parliament is central constitutionally, to safeguard public finance resources, and hence economic literacy will have a profound impact on the legislature's capacity to hold the Executive to account on public finance management, a major variable in economic governance. Attempts to deliver training sessions to Portfolio Committees of Parliament had stalled during 2014 given the transitional period post hosting of the 2013 General Elections.

SERA has received a formal request from the Clerk of Parliament to support the initial Economic Literacy Session for Chairpersons of Parliamentary Portfolio Committees (including Thematic Committees of the Senate), and the Women's Caucus Executive Committee. The focus on this category of MPs is informed by their leadership role in the Business of the House, beyond which capacity building sessions will be delivered to joint Portfolio Committees to strengthen their capacity to engage the executive on public finance management and economics related subjects brought before the House for debate. The minutes also indicated the Clerk's Office's decision to accede to a Collaborative Framework between SERA and this strategic institution. The initial session is scheduled to take place during Q17.

### **Training of Economists (short-term)**

During Q16, SERA, together with the Reserve Bank of Zimbabwe (RBZ), held the second phase of the Financial Programming and Policies training. The one-week training workshop was held from 21-25 September 2015 at the Kadoma Hotel and Conference Centre. This is a follow up to the first phase of the training which was held in March 2015. The SERA Program co-funded this activity with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) who provided their faculty for the training. The Financial Programming and Policies training is a long-term macroeconomic institution building exercise meant to develop a consistent macroeconomic model that incorporates consistent accounts and behavioral equations of the main macroeconomic agents. The workshop was attended by 12 participants (10 men and 2 women) from the RBZ, MOFED and ZIMSTAT. The subsequent phases of the program are expected to be completed in 2016.

SERA, the RBZ and MEFMI, continued the planning of a one-week in-country training course on Macroeconomic Modeling scheduled for 12-16 October 2015 in Kadoma. The SERA Program will co-fund the training workshop with MEFMI who are providing the technical assistance to develop a small scale macroeconomic model for Zimbabwe. The model is expected to be an economy wide model for use in the assessment of the effects of monetary and fiscal policy through forecasting and simulations. This will enhance the transparency and integrity of fiscal numbers in modeling, in turn enabling the fiscal authorities to forecast more accurately economic and social trends in the economy. These training workshops are consistent with USAID-SERA



Program's focus on in-country training activities that are tailor-made to meet the country's specific needs and accommodate higher numbers of participants.

## Training of Economists (long-term)

### M.Sc. Bursary

SERA funding for long-term training of economists through the ZEPARU Economic Scholars Program continued in Q16 with bursaries for 11 government economists pursuing the part-time M.Sc. program in Economics at the University of Zimbabwe; Male = 7; Female = 4. This includes 5 economists from the MOFED, 3 from the Ministry of Industry and Commerce, 1 each from ZIMRA, Ministry of Youth Development Indigenization and Empowerment, and the Ministry of Transport, Communication and Infrastructural Development. Details of the bursary coverage have been explained in previous QPRs. Of the 11 students, 8 were in their final year and successfully completed their MSc degrees and will be graduating in Q17. This will bring the total number of students who have graduated under the ZEPARU MSc. Economics Bursary to 15. The 3 remaining students are in their final year and expected to complete their studies in 2016.

### Ph.D. Bursary

In Q16, The SERA program continued to support two economists pursuing part-time Ph.D. programs in Economics in South African universities.

#### Mr. Prudence Stephen Moyo

Position: Senior Economist, Economic Research Division, RBZ

Program: M.Phil. /Ph.D. in Economics

University: University of Pretoria

Dissertation: Macroeconomic Dynamics and Stability in a dollarized economy: A case for Zimbabwe.

During the quarter, Mr. Moyo travelled to Cape Town, South Africa to present his paper entitled "Optimal Fiscal Policy in a Dollarised Economy" at the Biennial Economic Society of South Africa Conference. The workshop was held from 2-4 September 2015. During the workshop Mr. Moyo received comments and suggestions on improving his paper and finalized with his supervisor on the structure of his thesis.

#### Mr. William Kavila

Position: Chief Economist, Economic Research & Policy Enhancement Division, RBZ.

Program: PhD in Economics

University: Nelson Mandela Metropolitan University (NMMU), Port Elizabeth.

Dissertation: "A Dynamic Analysis of the Role of Monetary Policy in Zimbabwe under Periods of Hyperinflation and Dollarization"

During Q16 Mr. Kavila finalized and submitted his thesis for marking. Currently Mr. Kavila is awaiting comments from three external examiners to incorporate in his thesis for possible graduation in April 2016.

## TECHNICAL SERVICES: ASSISTANCE TO ZIMSTAT

SERA continued to support ZIMSTAT's activities to improve the availability of reliable statistical information primarily through the Survey of Services activity and continuation of the re-canvassing of the CBR questionnaire as shown below.

### Support for the Survey of Services (SS)

ZIMSTAT continued collecting data to ensure that canvassing of all establishments that had not yet responded to the survey were covered. As a condition for co-funding, SERA continues to work with ZIMSTAT to develop an imputation plan to provide opportunity for review and input as relevant by our Senior Statistical Advisor, Dr. Beverley Carlson.

In addition to the current SS activities, ZIMSTAT has continued with the CBR re-canvassing for those establishments that had not responded during the main CBR survey during the quarter to ensure an adequate sample. ZIMSTAT has continued re-canvassing the CBR questionnaires in all provinces during SS phase 3 data collection. ZIMSTAT will complete and disseminate the CBR report once Phase three of SS data collection is completed.

The information gathered by the SS activity will assist government in formulating policies for economic planning and in monitoring and evaluation of various development programs. The information will also be used to estimate the contribution of the service industry to Gross Domestic Product (GDP), and by the private sector and the general public in research and marketing projects.

During the quarter under review, ZIMSTAT continued data imputation through business surveys. In such surveys there will always be missing data leading to challenges during data processing and analysis. Such challenges can come in two forms: *Item non-response* and *Unit non-response*.

Item non-response occurs when data is missing for a particular data item of the questionnaire which may happen due to (a) Illogical or inconsistent response-the detection of such cases of response errors during the editing process may entail the deletion of one or more items; and (b) the statistical unit may partially complete the questionnaire.

The data entry process was a success since data on all questionnaires received was entered and verified. A data cleaning report will be produced once data cleaning is completed.

### Support for ZIMSTAT Website Development:

During Q16 SERA continued to work closely and support ZARNET, a local IT company that was tasked with building the new ZIMSTAT website. As the website developer and with the website upgrade nearing completion, ZARNET provided a 3-day training workshop to the ZIMSTAT website team on the management and maintenance of the website. These ZIMSTAT personnel are:

- Ms. B. Changa: Deputy Director, Central Services
- Mr. T. Majoni: ICT Manager
- Mr. C. Mbuwa: Principal System Developer

ZARNet Web Developer Persis Mayira led the training from 13-15 July 2015 at the ZIMSTAT Computer Room.

The training focused on the Website Framework (i.e. the site itself <http://www.zarnet.ac.zw/dev/zimstats/>): This is a Drupal website, so the training focused on how to use the Drupal administration tools. The World Bank had previously provided training on how to use the NADA module during Q14. .



During the training, both ZIMSTAT and ZARNET discovered some gaps in the website design that needed to be addressed. Issues that arose such as the need for statistics branches and departments in ZIMSTAT to have their own web pages as was the case in the past were addressed by ZIMSTAT staff. At the end of the training, the ZIMSTAT website team confirmed that all the objectives of the training had been met. ZARNET provided ZIMSTAT with a step by step manual/user guide for uploading and managing the website.

After the successfully completing the training, and with the NADA module accessible to the public, SERA subsequently supported the website content, specifically utilizing the NADA to upload statistical reports, the meta-data about the reports, and accompanying files as per the work-plan.

Near the end of Q16 the ZIMSTAT website team presented the new website to the Director General and senior management for their final inputs and comments. Senior management made recommendation on improving the website and advised that the website go live after making the suggested changes. The website will go live after 12 October 2015. Regarding the NADA, the senior management recommended that all reference to Microdata should only be included once ZIMSTAT has Microdata in NADA and for now it should be disabled. Thus Data access, Datasets, and variable groups will be left blank for now. At present, NADA uploads will have reports, manuals and other documents used in Surveys or Census.

ZARNET is currently making final adjustments to the website based on the comments and suggestions from ZIMSTAT's senior management. ZIMSTAT staff, who were trained by ZARNET, are also making final aesthetic changes related to text and photos.

## **CROSS-CUTTING ISSUES**

The SERA Program contract identifies three cross-cutting issues as “general program parameters and guidance” applying to overall performance: coordination with other USAID programs; poverty; and gender.

### **Coordination with other USAID programs**

The SERA Program has continued to collaborate with other partners and in particular with the World Bank on Doing Business work. The two Technical Leads, Ashok Chakravarti and Rongai Chizema actively participate in two Technical Working Groups (TWGs) with the World Bank: the Start A Business (SAB) and the Construction Permits TWGs.

SERA has also been coordinating its activities with other key stakeholders, namely NECF, Parliament of Zimbabwe, SAPST, and COMZ. Outside the USAID community, the COP continued discussions on policy issues and program coordination with the World Bank, UNDP, and DFID.

### **Poverty**

The study on Mineral Revenue Disclosure and Information Needs of Various Stakeholders, completed during Q15, while primarily focusing on disclosure of information, governance and revenue transparency issues, also affects poverty reduction. The study concludes that mining companies that are already disclosing information must further disaggregate the information particularly in relation to payments made to GOZ. It also concludes that mining companies should publish information on employment data, local procurement and investments in Corporate Social Responsibility (CSR) to local communities within their mine catchment area and indeed, to the wider public. Besides providing a poverty lens, this study focuses on democracy and governance issues such as regulatory, oversight, and corporate governance frameworks to bring

about reform. By doing so, it will make a significant contribution to improved corporate and economic governance, and accountability.

SERA had completed its support for the Maize Marketing study during Q16. The study directly addressed issues affecting poverty in Zimbabwe. Poverty in general exists when people lack the means to satisfy their basic needs, and basic foodstuffs, such as maize, form a critical basic need for the population of Zimbabwe. The agricultural community in Zimbabwe strives to produce food firstly for themselves and excess for the market to generate income that will contribute towards attainment of other basic livelihoods components. This is particularly the case for the smallholder farming sector under which the majority of Zimbabwean farmers fall who have embraced cash crop farming to satisfy firstly basic needs then other non-basic needs.

## Gender

SERA continues to apply a gender lens as far as possible in developing and managing all program activities. As with SERA's work on poverty issues, the demand-driven nature of the program means it must specifically tailor its gender considerations to the specific needs of its stakeholders, and encourage those stakeholders to consider the implications of gender in their work when programming with SERA.

In all program activities SERA tracks participants by gender, for which results are in Appendix D. SERA also works closely with program stakeholders to achieve as much gender-balance as possible in all SERA-sponsored training activities

In addition to the standard practice of tracking participants by gender in our activities SERA also:

- Consistently emphasizes the importance of gender balance in meetings with the GOZ and other partners in all SERA supported training and outreach activities.
- Monitors and evaluates activities based scoring the gender content of research designs and SERA-supported studies (see Appendix D).
- Working with stakeholders to come as close as possible to achieving gender balance in sponsoring economists for SERA-sponsored training activities. With reference to the activities summarized in Section 3, some of our results during Q16 were as follows:
  - Short course on Financial Programming and Policy: for 11 participants with 9 men, 2 women.
  - MSc bursary: 3 women.
  - PhD bursary: 2 men, no women. The recruiting challenge for this program was discussed in earlier quarterly reports.

In negotiating funding for the CBR Inquiry, ZIMSTAT agreed to include in the final CBR report a chapter on Women in Business, summarizing basic economic characteristics of identifiable women-owned businesses. The data will include the number of establishments, number of employees, and turnover, disaggregated by province and by ISIC classification

## **SERA PROGRAM CHALLENGES**

SERA faced several challenges during the quarter, of which the first was continued from previous quarters.

### **Absorptive capacity of ZEPARU**

The SERA program continued to provide ZEPARU with a Training Coordinator, although it is now a part-time role, to augment their limited staff capacity. In addition, SERA has continued to provide case-by-case support for ZEPARU research and dissemination activities, including funding research interns, and printing research products. Overall, SERA support to ZEPARU is declining as the program shifts its strategic focus and resource allocation to directly implementing activities with GOZ and CSO partners.

### **Managing an increasing number of counterparts and more diverse activities**

As SERA continues to support more GOZ and CSO counterparts as part of its strategic shift, it has developed increasing management needs to effectively respond to all stakeholders. In response, to date SERA has added Technical Advisor Ashok Chakravarti and Senior Economist Rongai Chizema to act as Technical Leads at the direction of the COP. SERA continues to look for methods and resources to improve its overall program management and responsiveness to program stakeholders. During this quarter the SERA M&E/Training Coordinator Emmanuella Matorofa has increasingly taken on a role managing some project activities at the direction of the COP and Technical leads, based on her impressive performance working with project stakeholders to date at training activities.

## **PLANNING FOR THE NEXT QUARTER**

This section outlines selected key activities that were in process during Q16 which will continue in Q17 which is the first quarter of Year 5.

### **Assistance to ZEPARU**

1. Conduct follow-up in-country training for the central bank and government economists on Financial Programming and Policies modeling which is scheduled to take place in September 2014 during the next quarter.
2. Continue funding ZEPARU bursaries for 11 government economists to pursue part time M.Sc. program in economics at UZ to the end of the project in September, 2015; and continuation with two Ph.D candidates who are not likely to complete their studies during Year 4.
3. Continue funding ZEPARU bursaries for the two remaining economists from RBZ who are pursuing Ph.D. programs in South Africa. One Ph.D. candidate was awarded a doctorate degree during Q15.

**Assistance to ZIMSTAT**

- Continue funding the Survey of Services (SS) data collection, and data processing, including refining their data processing approach with inputs from SERA's Senior Statistical Advisor.
- Complete the new ZIMSTAT website and purchase, install and configure hosting equipment.

**Assistance to Private Sector and Civil Society Organizations**

1. Continue to support the perceptions of corruption survey in collaboration with CZI, ZNCC and SMEAZ. The final result of the survey which is near completion will be due during Q17.
2. Continue to support the Mining Information Mapping study with publication and dissemination.
3. Provide funding or co-financing of research seminars and workshops relating to SERA-supported studies.

**Assistance to the GOZ**

1. Continue to initiate additional direct support for the Registrar of Companies in association with ZIA and the Ministry of Justice, Legal and Parliamentary Affairs, MOFED's pension study, among other activities.
2. Co-fund with the World Bank support for the second phase of RBB support, which began in July 2015, launching the development of programme budgets in six pilot ministries which include:
  - a. Ministry of Agriculture, Mechanization and Irrigation Development
  - b. Ministry of Local Government, Public Works and National Housing
  - c. Ministry of Higher and Tertiary Education,
  - d. Ministry of Women Affairs, Gender and Community Development
  - e. Ministry of Justice, Legal and Parliamentary Affairs
  - f. Ministry of Youth, Indigenisation and Economic Empowerment

## 12. APPENDIX B. YEAR 4 SHORT-TERM TECHNICAL ASSISTANCE

<b>Consultant</b>	<b>Expat/ TCN/ CCN</b>	<b>Organization</b>	<b>Assignment</b>	<b>Days approved / used</b>	<b>Dates (o/a)</b>	<b>Status at 30-Sept, 2015</b>
Beverley Carlson	Expat	Nathan	ZIMSTAT - Stats backstopping for COP (renewal of assignment)	15/12	Oct 1, 2013 – September 30, 2014	Ongoing
Ashok Chakravati	TCN	Nathan	SERA – Senior Program Advisor	130/88 (25 Days carried over from Y3)	May 7, 2014 – September 30, 2015	Ongoing
Bruce Bolnick	Expat	Nathan	SERA – Support to SERA (Senior Economist)	12/1.2 (11 Days carried over from Y3)	February 18 – September 30, 2014	Ongoing
Peter Miller	Expat	Nathan	ZIMSTAT – Website Development	9/3.9	June 1 – June 6, 2015	Ongoing
Olin McGill	Expat	Nathan	ZIA – Building a Business Enabling Environment	35/29.5	October 12 – October 26, 2014; July 1 – August 15, 2015	Complete
Janine Mans	Expat	Nathan	SERA – Introduction of Program Based Budgeting for Pilot Ministries	50/43	July 15, 2015 – August 14, 2015	Complete
Ian Mackenzie	TCN	Nathan	SERA – Introduction of Program Based Budgeting for Pilot Ministries	40/40	July 15, 2015 – August 14, 2015	Complete
Jackqeline Mutambara	CCN	Nathan	SERA – Maize Marketing and Pricing Policies in Zimbabwe	19/18	December 15, 2014 - September 30, 2015	Complete
Michael Nyamazan	CCN	Nathan	ZIA – Harare Business License Mapping Study	12/9	June 1, 2015 – July 15, 2015	Complete
Gilbert Makore	CCN	Nathan	SERA – Mining Information Mapping Study	14/14	April 7, 2015 – June 15, 2015	Complete
Mukasiri Sibanda	CCN	Nathan	SERA – Mining Information Mapping Study	14/14	April 7, 2015 – June 15, 2015	Complete



# 13. APPENDIX C. EQUIPMENT PROCURED FOR ZIMSTAT AND ZEPARU

Description	Serial Number	Acquisition Date	Value	Location as of Sep. 30, 2014
PROCUREMENT FOR ZIMSTAT CBR-COS PROJECT				
HP 4530s Laptop Computer w/case	CNU212408L	21-May-12	\$1,045	ZIMSTAT
HP 4530s Laptop Computer w/case	CNU21241LY	21-May-12	\$1,045	ZIMSTAT
HP Compaq Pro 3400 MT PC Workstation	PC: CZC21712BD/ Monitor: CNC207QRL3	21-May-12	\$1,070	ZIMSTAT
HP Compaq Pro 3400 MT PC Workstation	PC: CZC21712B9/ Monitor: CNC207QRYP	21-May-12	\$1,070	ZIMSTAT
HP Compaq Pro 3400 MT PC Workstation	PC: CZC21712BN/ Monitor: CNC207QS7M	21-May-12	\$1,070	ZIMSTAT
HP Compaq Pro 3400 MT PC Workstation	PC: CZC217129Y/ Monitor: CNC209QXJ3	21-May-12	\$1,070	ZIMSTAT
HP Proliant ML 150 G6 Server Desktop	HU1147AOGL	21-May-12	\$2,240	ZIMSTAT
HP 18.5" LCD monitor, keyboard, mouse	CN420904B1	21-May-12	\$225	ZIMSTAT
HP LaserJet P4015DN Printer (Enterprise 600 M602dn)	CNBVD2S048	21-May-12	\$1,600	ZIMSTAT
HP LaserJet P4015DN Printer (Enterprise 600 M602dn)	CNBVD2S049	21-May-12	\$1,600	ZIMSTAT
HP LaserJet P4015DN Printer (Enterprise 600 M602dn)	CNBVD2S046	21-May-12	\$1,600	ZIMSTAT
HP LaserJet P4015DN Printer (Enterprise 600 M602dn)	CNBVD2S04G	21-May-12	\$1,600	ZIMSTAT
Dell Latitude E5420 Laptop w/case	DNMM4S1	14-May-12	\$1,489	ZIMSTAT *
HP Proliant DL 380G9 Server	CZ51103HG	2-Jun-15	\$7,754	ZIMSTAT
APC Smart UPS 100W/15000VA	351436X05820	2-Jun-15	\$706	ZIMSTAT
Seagate Business Storage Diskless 2Bay NAS	NA6C102J	2-Jun-15	\$368	ZIMSTAT
Seagate 2TB Raid Ready NAS 5.9k SATA HDD 3.5"	W520LMRW	2-Jun-15	\$178	ZIMSTAT
Seagate 2TB Raid Ready NAS 5.9k SATA HDD 3.5"	W520LMST	2-Jun-15	\$178	ZIMSTAT
Catalyst 2960S 24Gig E 4*SFP-LAN Base	F0L1716Y54X	2-Jun-15	\$2,515	ZIMSTAT

<b>Description</b>	<b>Serial Number</b>	<b>Acquisition Date</b>	<b>Value</b>	<b>Location as of Sep. 30, 2014</b>
Cyberoam CR25 ING 4X10/100/1000	CO6615104872	2-Jun-15	\$1,052	ZIMSTAT
<b>PROCURED FOR ZEPARU BURSARY PROGRAM</b>				
Dell Latitude E5420 Laptop w/case	DNMQ5S1	16-Feb.-12	\$1,345	SERA office (returned)
Dell Latitude E5420 Laptop w/case	DNMN4S1	16-Feb.-12	\$1,345	Manda S.
Dell Latitude E5420 Laptop w/case	DNMN5S1	16-Feb.-12	\$1,345	Willie A.
Dell Latitude E5420 Laptop w/case	DNML4S1	16-Feb.-12	\$1,345	Mtisi K. (graduated)
Dell Latitude E5420 Laptop w/case	DNMQ4S1	16-Feb.-12	\$1,345	Mugandani A.
Dell Latitude E5420 Laptop w/case	DNML5S1	16-Feb.-12	\$1,345	Tuluzawu P.
Dell Latitude E5420 Laptop w/case	DNMM5S1	16-Feb.-12	\$1,345	Shenje T. (graduated)
Dell Latitude E5420 Laptop w/case	DNMP5S1	16-Feb.-12	\$1,345	Mfunda F.
Dell Latitude E5420 Laptop w/case	6J7MGV1	24-Aug.-12	\$1,666	SERA office (returned)
Dell Latitude E5420 Laptop w/case	9J7MGV1	24-Aug.-12	\$1,666	Chimombe S.
Dell Latitude E5420 Laptop w/case	DJ7MGV1	24-Aug.-12	\$1,666	Gwandiregera B.
Dell Latitude E5420 Laptop w/case	BX6MGV1	24-Aug.-12	\$1,666	Masiwa I.
Dell Latitude E5420 Laptop w/case	1N7MGV1	24-Aug.-12	\$1,666	Chivore P.
Dell Latitude E5420 Laptop w/case	277MGV1	24-Aug.-12	\$1,666	Muzimba D.
Dell Latitude E5420 Laptop w/case	DG7MGV1	24-Aug.-12	\$1,666	Chihava E. (graduated)
Dell Latitude E5420 Laptop w/case	FG7MGV1	24-Aug.-12	\$1,666	Njokwe G.
Dell Latitude E5420 Laptop w/case	6R7MGV1	24-Aug.-12	\$1,666	Madhunguyo C.
Dell Latitude E5420 Laptop w/case	FN7MGV1	24-Aug.-12	\$1,666	Makacha K.
Dell Latitude E5420 Laptop w/case	6W6MGV1	24-Aug.-12	\$1,666	Mupunga N. (Ph.D.)
Dell Latitude E5430 Laptop w/case	H1GDLV1	17-April-13	\$1,499	Moyo S. (Ph.D.)
Dell Latitude E5430 Laptop w/case	10GDLV1	30-April-13	\$1,499	Kavila W. (Ph.D.)
Dell PA-12 19.5V 3.34A 65W AC Adapter For Dell Inspiron	CN-09228G4-72438-0Ab37DD-A00	14-April-14	\$40	Gwandiregera B.
Dell PA-12 19.5V 3.34A 65W AC Adapter For Dell Inspiron	CN-0928G4-72438-229-5829-A01	14-April-14	\$40	Muzimba D.
Dell PA-12 19.5V 3.34A 65W AC	CN-0928G4-72438-1B4-3BF9-	14-April-14	\$40	Chivore P.



<b>Description</b>	<b>Serial Number</b>	<b>Acquisition Date</b>	<b>Value</b>	<b>Location as of Sep. 30, 2014</b>
Adapter For Dell Inspiron	A01			
APC Surge Arrest 5 Outlets		22-April-14	\$34	Manda S.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Willie A.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Tuluzawu P.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Mfunda F.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Chimombe S.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Gwandiregera B.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Masiwa I.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Chivore P.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Muzimba D.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Njokwe G.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Madhunguyo C.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Makacha K.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Sowa B.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Ncube S.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Chikwede K.
APC Surge Arrest 5 Outlets		22-April-14	\$34	Mupunga N. (Ph.D.)
APC Surge Arrest 5 Outlets		22-April-14	\$34	Moyo S. (Ph.D.)
APC Surge Arrest 5 Outlets		22-April-14	\$34	Kavila W. (Ph.D.)
<b>PROCURED FOR ZEPARU RESEARCHERS</b>				
Dell Latitude E5420 Laptop w/case	JNCPLQ1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCQ4S1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCP5S1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCPKQ1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCPWL1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCQ5S1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCP4S1	14-May-12	\$1,489	ZEPARU
HP LaserJet P4015nPrinter (Enterprise 600 M602n)	CNBVCCY1XQ	12-June-12	\$1,675	ZEPARU

*\*This laptop was previously a spare in the SERA office, and subsequently moved to ZIMSTAT to host the distance learning system, which is in development.*



# 14. APPENDIX D.

## IMPLEMENTATION OF YEAR 4 WORK PLAN TASKS

Task	Status at End of Year 4
<b>1. MANAGEMENT AND ADMINISTRATION SERVICES</b>	
<b>1.1. PROJECT MANAGEMENT AND ADMINISTRATION</b>	
Coordinate with COR, other USAID programs, other key donors	Ongoing
Develop and manage STTA assignments	Ongoing
Maintain project accounts consistent with budget parameters, and documentation for audit	Ongoing and up to date
Maintain documentation for activities, expenditures, and monitoring indicators	Ongoing and up to date
Provide Training Coordinator to ZEPARU for management of SERA-supported activities	With the diminished focus on training activities, SERA's Training and M&E Coordinator, Evidence Ndari, began to manage ZEPARU's training activities in place of the previous SERA-funded ZEPARU Training Coordinator to consolidate program resources.
<b>1.2. REPORTS</b>	
Submit Annual Report for Year 3 (also serving as Quarterly Report for Q12)	Done
Work Plan revision, if necessary	Done Year 4 Work Plan approved by USAID with minor modifications. additional activities to be approved by USAID case-by-case
Submit Quarterly Progress Reports	Done
Submit Quarterly Financial Reports	Done
Submit Quarterly Accrual Reports	Done
Submit Activity Reports, Success Stories	On Schedule
Submit monthly activities reports and weekly highlights as appropriate	Weekly bullets submitted to COR as warranted.
Submit Annual Work Plan for Year 5	Done, pending USAID Approval
Submit updated M&E Plan for Year 5	Done, pending USAID approval
Submit reports and information products to DEC	Guidance from COR received on materials to be submitted to DEC. Nathan HQ processes the documents for submission as available
<b>2. ASSISTANCE TO ZEPARU AND MOF</b>	
Provide Senior Advisor to ZEPARU as intermittent STTA	Professor Rob Davies contracted to provide targeted support to

Task	Status at End of Year 4
	ZEPARU, but he was not able to provide the targeted support.
Provide financing for three research interns	Concluded program funding for the three interns on 30 September 2015
Coordinate with ZEPARU, MOF, Private Sector and CSOs on priorities for support and development of activities	Ongoing.
Liaise on program activities with MEPIP, Parliament, RBZ	<p>The MEPIP was absorbed into the MOF, which was renamed the Ministry of Finance and Economic Development (MOFED).</p> <p>SERA received a formal request from the Clerk of Parliament to support the initial Economic Literacy Session for Chairpersons of Parliamentary Portfolio Committees (including Thematic Committees of the Senate), and the Women's Caucus Executive Committee. The initial session is scheduled to take place during Q17.</p> <p>SERA and the RBZ, held the second phase of the Financial Programming and Policies training, 21-25 September 2015, Kadoma Hotel and Conference Centre. Subsequent phases of the program are expected to be completed in 2016.</p> <p>SERA, the RBZ and MEFMI, continued the planning of a one-week in-country training course on Macroeconomic Modeling scheduled for 12-16 October 2015 in Kadoma</p>
Liaise on program activities with other USAID projects & other donors	The COP continued to hold intermittent meetings and discussions with WB, UNDP, and DFID for coordination of activities.
<b>2.1. RESEARCH AND ANALYSIS THROUGH ZEPARU, CSOs AND MOFED</b>	
Provide technical support and mentoring to assist ZEPARU in producing approximately 4 high quality research products on topics of importance to economic policy makers. Potential themes include:	
Private Sector Development (continuing research theme)	Starting a Business reform potential assessment completed. Follow on activities to implement priority reforms being pursued
Financial Sector Development, including Non-Banking Finance Institutes – NBFIs (continuing research theme)	Pensions study Reference Group Meeting undertaken on 20 August 2015. The study will be initiated and completed during Q17
Provide technical assistance to the MOFED for at least 4 high quality research studies on priority policy issues.	
Co-fund study on Artisanal Small-scale Gold Mining	Done
Business Environment Survey – Perceptions of Corruption	Survey began in early July 2015, was completed with a total of 403 companies successfully surveyed. Data processing has commenced and preliminary results will likely be available early in Q17.
Provide STTA to assist ZEPARU in writing winning grant proposals	Not undertaken in year 4
Provide STTA to assist ZEPARU in database development and adding data access to website	Not undertaken in year 4
Provide STTA to strengthen ZEPARU capacity to produce policy briefs and press releases	As needed. Not undertaken in year 4
Provide funding to ZEPARU for operational costs relating to research activities	As needed. No operational costs were supported during Year 4.
Assist ZEPARU with planning and delivery of research seminars	As needed. No assistance was provided in Year 4
Provide funding for the publication of ZEPARU research and analysis products	As needed. No funding was provided in Year 4

Task	Status at End of Year 4
Provide funding for study tour by ZEPARU ED of leading economic development think-tanks in Africa, Europe and USA	This did not occur during Year 4.
<b>2.2. PARLIAMENTARIAN TRAINING THROUGH ZEPARU</b>	
In collaboration with Parliamentary leaders, SAPST and ZEPARU, hold launch workshop for Economic Literacy training program	SERA received a formal request from the Clerk of Parliament to support the initial Economic Literacy Session for Chairpersons of Parliamentary Portfolio Committees (including Thematic Committees of the Senate), and the Women's Caucus Executive Committee. The initial session is scheduled to take place during Q17.
In collaboration with Parliament, SAPST and ZEPARU: design and deliver training on Economic Literacy.	Planning on-going and in advanced stages. The initial session is scheduled to take place during Q17.
Implement Certificate Program in Basic Economics for Parliamentarians.	The Certificate Program is on hold per above.
<b>2.3.A SHORT-TERM TRAINING OF ECONOMISTS THROUGH ZEPARU AND MOF</b>	
With ZEPARU and MOFED, establish training priorities for SERA support for each quarter.	ZEPARU provides a table of training priorities for USAID SERA support and updates as needed, but also responds to un-programmed requests from key ministries and RBZ. See text for details.
With ZEPARU and MOFED, design, develop and deliver at least 5 customized short – courses for economists. Menu of subjects include:	
Advanced Excel Skills (continuation from Year 3)	Not requested
Tax Analysis and Revenue Forecasting (with ATI)	Not requested
Monitoring and Evaluation of Government Programs and Projects	Not requested
Survey design and sampling methods	Not requested
Introduction to CGE Modeling (with TIPS)	Not requested
Panel Data Econometrics	Not requested
Support 30 economists to attend regional short-courses	Put on hold
Conduct ex-post evaluations 6 months after each training event to assess value on the job and knowledge retention	Completed and on file at the SERA office.
<b>2.3.B LONG-TERM TRAINING OF ECONOMISTS</b>	
Continue bursary funding for 11 government economist as ZEPARU Scholars for part-time MSc program in Economic at UZ.	Eight students completed their degree program, and were awarded their degrees. No new students were inducted to the program, leaving three students as recipients of SERA funding.
Continue bursary funding for 3 RBZ economists as ZEPARU Scholars pursuing PhD programs in economics in South Africa.	On-going. One Economist completed and graduated in April 2015. Two economists from RBZ continue to receive bursaries for their Ph.D studies.
Monitor use of laptop computers provided by SERA to ZEPARU Scholars.	Ongoing at intervals of 6 months
Provide logistical and personal support to ZEPARU Scholars studying in South Africa.	Ongoing.
Track progress of all SERA-funded bursary recipients.	Ongoing and up to date.
<b>2.5 WORKSHOPS/RESEARCH DISSEMINATION EVENTS</b>	

Task	Status at End of Year 4
Provide funding for research seminars, stakeholders workshops and guest speaker seminars, and policy dialogue events co-hosted with other organizations.	SERA supported a total of 4 dissemination workshops on : Economics of Employment; Business Startup in Zimbabwe; Company Registry Regulatory, Process and Systems Reform Study; Municipal Business Licensing Mapping
<b>3. ASSISTANCE TO ZIMSTAT</b>	
Coordinate with ZIMSTAT on priorities, activities.	Ongoing meetings as needed determined by progress with ongoing activities and ZIMSTAT schedules.
Liaise with other donors for coordination on support for ZIMSTAT	Ongoing intermittent discussions with WB, UNDP and DFID
Fund completion of Central Business Registry (CBR) project	CBR Inquiry Report produced in Nov. 2014. First phase of CBR re-canvassing started on 24/11/ 2014. Data entry of the re-canvassed questionnaires was completed in July 2015. Data cleaning of the captured questionnaires currently in progress. Updating of the CBR report expected to be completed by 30 September 2015.
Co-finance the Survey of Services (SS) project	SS data collection commenced on 24/11/2014. Data entry and verification of all questionnaires received was completed in July 2015. Data cleaning of the captured questionnaires currently in progress.
STTA for completing the development of distance-learning in-service training system	Put on hold pending ZIMSTAT re-alignment of its priorities and may not actually happen.
STTA to assist with ZIMSTAT website upgrade	Completed.
STTA to assist with the development of procedures for providing researchers with access to anonymized microdata sets, in full compliance with confidentiality requirements.	Completed.
STTA to conduct quality assurance review of CBR and ZimDat databases.	Not yet undertaken.
STTA for creation of service sector index (or multiple service indices)	Scheduled for Q16 or thereafter
STTA for rebasing the Volume of Manufacturing Index and possibly other economic indices.	Scheduled for Q16 or thereafter

**APPENDIX E: PERFORMANCE MONITORING INDICATORS**

Table E-1. Output Indicators ..... p 1

Table E-2. Intermediate Results Indicators ..... p 6

Table E-3. Outcome Indicators ..... p 10

Table E-4. Context Indicators ..... p 14





**Table A2-1. – Output Indicators**

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct–Dec	Jan–Mar	Apr–Jun	Jul–Sep	
ASSISTANCE TO ZEPARU AND MOFED										
A. RESEARCH AND ANALYSIS										
1.	Number of completed policy studies: total, and with gender content	0	ZEPARU	Total (with ZEPARU) : 8 With gender content: 3 (details shown by quarter)  Total (for MOFED) : 1 With Gender content: 0 (details shown by quarter)	Total (with ZEPARU) : 10 With gender content: 5	Total: 1 (Mining Sector Transparency Study) With gender content: 0	Total: 4 (On the Brink of a Breakthrough, Starting a Business in Zimbabwe; Cost Drivers Analysis of Zimbabwean Economy; Transitioning to Program Budgeting in Zim-Education; Transitioning to Program Budgeting - Health)  With gender content: 0	Total : 2 (Maize Marketing Study, Mining Information Mapping Study)  With gender content: 0	Total: 2 (Municipal Business Licencing Mapping Study, Company Registry Regulatory, Process and Systems Reform Study)  With gender content: 0	Total : 9 With gender content: 0 (details shown by quarter)
2.	Number of completed policy studies outsourced by ZEPARU with SERA support: total, and with gender content	0	SERA	Total: 5 With Gender Content: 5 (details shown by quarter)	Total: 5 With Gender Content: 3	0	Total: 1 (ASM Gold Report)  With Gender Content: 1	0	0	Total: 1 (ASM Gold Report)
3.	Person-hours of training completed in fiscal policy and fiscal administration supported by USG assistance	0	SERA	Total: 5537.5  Women:1577.75	Total: 4500  Women:	Total : 257.5  Women : 0	Total : 810  Women : 570	0	Total: 275  Women: 50	Total: 1342.5  Women: 620

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
	(USAID PMP indicator): total, women				2250					
4.	Number of days of SERA technical assistance in fiscal policy and fiscal administration (USAID PMP indicator)	0	SERA	316	415	16	69.1	46	13	Total: 144.1
<b>B. PARLIAMENTARIAN TRAINING</b>										
5.	Number of SERA-supported seminars for Parliamentarians, on economic policy and economic literacy.	0	SERA	0	6 seminars	Request for reprinting of 400 additional copies of Parliamentarian toolkit report approved. ZEPARU distributing copies in Q14.	Distribution of Parliamentarian toolkit report put on hold to allow ZEPARU and SAPST to engage the new Clerk of Parliament.	Clerk of Parliament engaged. Concept note approved. Training expected to begin in early September	Training rescheduled to commence mid-October 2015	Training rescheduled to commence mid-October 2015
6.	Number of Parliamentarians trained with SERA support: total, women	0	SERA	0	Total: 90 Women: 45	0	0	0	0	0 (see previous line)
<b>C. SHORT-TERM TRAINING OF ECONOMISTS</b>										
7.	Number of SERA-supported customized short-courses for training economists.	0	SERA	6 customized short courses	5 customized short courses	0	1 (Financial Programming and Policy phase I)	0	1 (Financial Programming and Policy II)	2 customized short course (Details shown by quarter)
8.	Number of economists attending customized short-courses: total, women	0	SERA	Total: 92 Women: 30	Total: 115 Women: 58	0	Total: 11 Women: 3	0	Total: 11 Women: 2	Total: 22 Women: 5
9.	Number of individuals sponsored to attend external training courses: total, women	0	SERA	Total: 21 Women: 2	Total: 33 Women: 17	Total: 6 Women: 0	0	0	0	Total: 6 Women: 0

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
<b>D. LONG-TERM TRAINING OF ECONOMISTS</b>										
10.	Number of individuals w/ SERA bursaries to part-time MSc in Economics at U Zimbabwe: total, women	0	SERA	Total: 11 Women: 4	Total: 3 Women: 3	Total: 11 Women: 4	Total: 11 Women: 4	Total: 11 Women: 4	Total: 3 Women: 3	Total: 3 Women: 3
11.	Number of individuals w/ SERA bursaries to PhD in Economics at UCT or a comparable university (University of Pretoria and Nelson Mandela Metropolitan University) in South Africa - total, women	0	SERA	Total: 3 Women: 0	Total: 3 Women: 0	Total: 3 Women: 0	Total: 3 Women: 0	Total: 2 Women: 0	Total: 2 Women: 0	Total: 2 Women: 0
<b>E. WORKSHOPS (FOR OUTREACH/DISSEMINATION)</b>										
12.	Number of SERA-supported outreach/dissemination workshops	0	SERA	5	5	1 (Economics of Employment Creation)	1(Business Start Up in Zim)	0	2(Company Registry Regulatory, Process and Systems Reform Study, Municipal Business Licencing Mapping	4 (Details shown by quarter)
13.	Number of participants in SERA-supported workshops or seminars a) total, women b) government, private sector, ZEPARU/SERA, other	0	SERA	a)Total : 612 Women: data not available b) Govt : 50 Pvt Sector: 97 ZPR/SERA: 17 Other: 99	a) Total: 500, Women: 250 b)For tracking purposes, no targets	a) Total: 68 Women: 19 b) Govt : 28 Pvt Sector: 16 ZPR/SERA: 4 Other: 20	Total: 91 Women: 26 b) Govt : 35 Pvt Sector: 32 ZPR/SERA: 4 Other: 20	0	Total: 154 Women: data not available b) Govt : 114 Pvt Sector: 6 ZPR/SERA: 7 Other: 27	Total: 313 Women: data not available b) Govt : 177 Pvt Sector: 54 ZPR/SERA:15 Other: 67
<b>ASSISTANCE TO ZIMSTAT</b>										

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct–Dec	Jan–Mar	Apr–Jun	Jul–Sep	
A. IMPROVE ORGANIZATION AND COORDINATION OF NSS										
14.	Number of documents containing meta-data and data manuals produced and posted on-line with SERA support	0	SERA	0	2	0	0	1 (CBR Inquiry Report)	1 (CBR Inquiry Report)	1 (CBR Inquiry Report)
15.	Number of SERA-supported public information events on economic statistics, through ZIMSTAT	0	SERA	0	1	0	0	0	0	0
16.	Number of participants in SERA-supported public events through ZIMSTAT - total, women	0	SERA	0	Total: 50 Women: 25	0	0	0	0	0
B. DEVELOP PHYSICAL, IT AND STATISTICAL INFRASTRUCTURE										
17.	Number of SERA-supported training events for ZIMSTAT staff	0	SERA	0	2	0	0	0	0	0
18.	Number of participants in SERA - supported training courses for ZIMSTAT staff - total, women	0	SERA	0	Total: 50 Women: 25	0	0	0	0	0
19.	Cum. number of distance learning training modules in economic statistics developed/supported by SERA	0	SERA	Initiation of pilot phase of implementation of DL and SERA support put on hold because SERA assistance focusing on CBR Inquiry	6	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now focusing on SS.	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now focusing on SS.	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now focusing on SS.	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now focusing on SS.	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now focusing on SS.

**Table A2-2. – Intermediate Result Indicators**

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct–Dec	Jan–Mar	Apr–Jun	Jul–Sep	
ASSISTANCE TO ZEPARU AND MOF										
A. RESEARCH AND ANALYSIS										
1.	Number of policy briefs/studies drafted and presented for public/stakeholder consultation with USG assistance(USAID PMP indicator): total, and with gender content	0	ZEPARU	Total: 9  With Gender Content: 5 (details shown by quarter)	Total: 8  With gender content: 4	Total : 1 (Economics of Employment Creation)  With Gender Content : 1	Total :1 (On the Brink of a Breakthrough, Starting a Business in Zimbabwe) With Gender Content : 0	0	Total: 2 (Company Registry Regulatory, Process and Systems Reform Study, Municipal Business Licencing Mapping) With Gender Content : 0	Total: 4  With Gender Content: 1 (details shown by quarter)
2.	Number of economic research material available through online library on the ZEPARU website	12 (9 Periodic articles, 3 serials)	ZEPARU	48 (31 research papers, 10 economic barometers, 2 policy briefs, 5 presentations) 77 economic resource links	>=110 research material	54 (35 research papers, 12 economic barometers, 2 policy briefs, 5 presentations) 77 economic resource links	57 (37 research papers, 12 economic barometers, 2 policy briefs, 6 presentations) 77 economic resource links	60 (38 research papers, 12 economic barometers, 2 policy briefs, 8 presentations) 77 economic resource links	64 (40 research papers, 14 economic barometers, 2 policy briefs, 8 presentations) 77 economic resource links (August 2015)	64 (40 research papers, 14 economic barometers, 2 policy briefs, 8 presentations) 77 economic resource links (August 2015)
B. TRAINING OF ECONOMISTS										
3.	Cum. number of semesters completed by gov't economists pursuing MSc-Econ at U Zim w/ SERA support - total, women	0	University of Zimbabwe	Total: 70 Women: 10	Total: 81 Women: 14	Total: 70 Women: 10	Total: 81 Women: 14	Total: 92 Women: 18	Total: 92 Women: 18	Total: 92 Women: 18

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct–Dec	Jan–Mar	Apr–Jun	Jul–Sep	
D. WORKSHOPS (FOR OUTREACH AND DISSEMINATION)										
4.	Number of press releases published or positive news reports on SERA-supported research or outreach/dissemination events: total, and with gender content	0	SERA	Total : 21 With Gender Content: 0	Total: 10 With gender content: 5	Total: 18 With gender content: 0	Total: 12 With gender content: 0	Total: 12 With gender content: 0	Total: 4 With gender content: 0	Total: 46 With gender content: 0
ASSISTANCE TO ZIMSTAT										
A. IMPROVE ORGANIZATION AND COORDINATION OF NSS										
6.	Number of economic reports produced by ZIMSTAT with lag of no more than 12 months	2 – revised (CPI report; Poverty Datum Line Report)	ZIMSTAT	4 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, Quarterly Bulletin of External Trade Statistics	9	5 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, Quarterly Bulletin of External Trade Statistics, CBR Inquiry Report	6 CPI report, Poverty datum line Report, Quarterly Digest of Statistics; Quarterly Bulletin of External Trade Statistics; 2014 Labour Force Survey Report; 2014 Child Labour Report	4 CPI report, Poverty datum line Report, Quarterly Digest of Statistics (2015 Q1); Quarterly Bulletin of External Trade Statistics	4 CPI report, Poverty datum line Report, Quarterly Digest of Statistics (2015 Q1); Quarterly Bulletin of External Trade Statistics	4 CPI report, Poverty datum line Report, Quarterly Digest of Statistics (2015 Q1); Quarterly Bulletin of External Trade Statistics
B. DEVELOP PHYSICAL, IT AND STATISTICAL INFRASTRUCTURE										
7	Completion and publication of the Poverty, Income, Consumption Expend. Survey (PICES)	field work underway	ZIMSTAT	PICES Report completed and launched in April 2013.	-	-	-	-	-	-
8	Completion of Central Business Registry (CBR) update	poor quality data	ZIMSTAT	CBR data coding and entry completed in	CBR updated. Results used as sampling frame for	CBR Inquiry Report produced in Nov. 2014.	Re-canvassing of CBR questionnaires to continue on	Last phase of re-canvassing of CBR questionnaires	Data entry of the re-canvassed questionnaires	Data entry of the re-canvassed questionnaires

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
				July. CBR Technical report was drafted and finalized in September.	other economic surveys	First phase of CBR re-canvassing started on 24/11/ 2014 and to continue into Q14	13 April 2015 after a break in March. Percentage of recovered questionnaires as of 2 March 2015 = 85.7%	began on 13 April 2015. Percentage of recovered questionnaires as at 7 May 2015 = 89.8%. Data entry of processed questionnaires currently in progress.	was completed in July 2015. Percentage of recovered questionnaires as at 30 July 2015 = 90.6%. Data cleaning of the captured questionnaires currently in progress. Updating of the CBR report expected to be completed by 30 September 2015.	was completed in July 2015. Percentage of recovered questionnaires as at 30 July 2015 = 90.6%. Data cleaning of the captured questionnaires currently in progress. Updating of the CBR report expected to be completed by 30 September 2015.
9	Completion and publication of Census of Services (COS)-changed to Survey of Services (SS)	Last done 1981 (partial coverage only)	ZIMSTAT	SS to commence in Q13 since CBR was finalized in September.	SS completed and disseminated. Index of Services developed.	Phase 1 of SS data collection commenced on 24/11/2014 and ended on 19/12/2014. Recovery rate is currently at 19.4%. Phase 2 to commence in Q14	There was no data collection in January 2015. Phase 2 data collection commenced on 2 February 2015. Phase 3 data collection will continue on 13 April 2015 after a break in March.	SS phase 3 data collection started on 13 April and was completed on 4 May 2015 with 80.6% of the questionnaires recovered. Data entry of processed questionnaires currently in progress.	Data entry and verification of all questionnaires received was completed in July 2015. Data cleaning of the captured questionnaires currently in progress.	Data entry and verification of all questionnaires received was completed in July 2015. Data cleaning of the captured questionnaires currently in progress.
10	Number of ZIMSTAT staff using/completing SERA-supported distance learning training modules: total, women	not applicable	ZIMSTAT	Initiation of pilot phase of implementation of DL and SERA support put on hold because SERA assistance	Total: 20 Women: 10	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now	Initiation of pilot phase of implementation of DL and SERA support put on hold. SERA assistance now

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
				focusing on CBR Inquiry		focusing on SS.	focusing on SS.	focusing on SS.	focusing on SS.	focusing on SS.



**Table A2-3. – Outcome Indicators**

No .	Item	Baseline	Source	Year 3 Actuals	Year 4 Target	Year 4 Actuals				Total for Year 4
						Oct–Dec	Jan–Mar	Apr–Jun	Jul–Sep	
Assistance to ZEPARU and MOF										
1.	Number of policy briefs/ studies analyzed and drafted with USG assistance, presented for public/stakeholder consultation and that contribute to new policies approved/ passed for implementation (USAID PMP Indicator); total and with gender content	0	ZEPARU	Total: 3 With gender content: 1 Corporate Financial Distress, Financial Liberalization and Crises, Zimbabwe Country Study on Negotiations for the Tripartite Free Trade Area	Total: 2 With gender content: 1	Total: 1 (Cost Drivers Study) With Gender Content: 0	Total: 1 (Cost Drivers Study) With Gender Content: 0	No additional items this quarter but Cost Drivers Study continuing to influence policy decisions during this quarter.	No additional items this quarter but Cost Drivers Study continuing to influence policy decisions during this quarter.	Total: 1 (Cost Drivers Study) With Gender Content: 0
2.	Number of policy briefs/ studies analyzed and drafted with USG assistance, presented for public/stakeholder consultation and that contribute to new policies approved/ passed where implementation is confirmed to have begun (USAID PMP Indicator); total and with gender content	0	ZEPARU	0	Total: 2 With gender content: 1	Total: 1 (Cost Drivers Study) With Gender Content: 0	Total: 1 (Cost Drivers Study) With Gender Content: 0	No additional items this quarter during this quarter.	Total: 1 (On the Brink of a Breakthrough, Starting a Business in Zimbabwe)	Total: 2 With Gender Content: 0 (details shown by quarter)
3.	Number of participants/percent of respondents able to demonstrate knowledge retention by identifying three specific learning objectives	0	ZEPARU	Total: 80 Women: 24	Total: 83 Women: 28	Total: 9 Women: 2	Total: 12 Women: 6	Total: 3 Women: 0	Total:9 Women: 2	Total: 33 Women: 10

No	Item	Baseline	Source	Year 3 Actuals	Year 4 Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
	from SERA-supported training at least 6 months after each training event (Disaggregated by sex)									
4.	Number of participants/percent of respondents reporting at least one example of on-the-job utilization of content from USAID supported training at least 6 months after each training event (Disaggregated by sex)	0	ZEPARU	Total: 83 Women: 28	Total: 83 Women: 28	Total: 9 Women: 2	Total: 9 Women: 5	Total: 3 Women: 0	Total: 9 Women: 2	Total: 30 Women: 9
5	Number of “hits” and downloads of policy briefs/reports/studies posted on ZEPARU website	568 hits 353 downloads	ZEPARU	37213 hits 9459 downloads	100 percent increase over prior year	7520 hits 1466 downloads (Oct – Dec 2014)	6426 hits 3511 downloads (Jan – March 2015)	6282 hits 5040 downloads (April – June 2015)	20228 hits 9459 downloads (through to June 2015)	20228 hits 9459 downloads (through to June 2015)
6	Amount of funding for ZEPARU, excluding SERA and ACBF support	Budget vote 2010=\$10,000 2011=\$200,000	ZEPARU	\$140,127 (of which \$32,362 from GoZ)	\$300,000, incl. \$200k budget vote + other sources	Funds received this quarter NAC:\$4,213 TARSC:\$7,925 BAZ: \$2,600 ZIMTRADE: \$1,850 ZIMBISA: \$4,465 Total: \$21,053	Funds received this quarter ENOMIX: \$2,490 University of JHB: \$1,290 AfDB:\$17,700 AFRODAD:\$1,199 TARSC:\$1,365 AERC:\$4,977 UNICEF;\$1,450 Zimbisa:\$ 2,074 Total:\$ 32,545	Funds received this quarter GoZ: \$8,000 Telone: \$200 ZimTrade:\$400 Zimbisa:\$9,680 AfDB: \$9,500 ACBF: \$2,000 AfDB: \$22,840 Total: \$52,620	Funds received this quarter GoZ: \$10,000 AfDB: \$35,417 UNICEF:\$20,000 Zimbisa:\$4,910 UCT: \$4,754 Total: 75,081	\$181,299 (of which \$18,000 from GoZ)
<b>ASSISTANCE TO ZIMSTAT</b>										
7.	Improved National Income and Product Accounts (NIPA) statistics using PICES data and	Seriously deficient statistical	ZIMSTAT	PICES Report	Second revision to NIPA using	PICES Report completed.	PICES Report completed. CBR re-canvassing	PICES Report completed. CBR re-	PICES Report completed.CBR data entry of the	PICES Report completed. CBR data entry

No .	Item	Baseline	Source	Year 3 Actuals	Year 4 Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
	economic surveys that benefit from CBR upgrade	inputs to NIPA		completed. CBR data coding and entry completed in July. CBR Technical report was drafted and finalized in September 2014	SS data complete	CBR Inquiry Report produced in Nov. 2014. First phase of CBR re-canvassing started on 24/11/2014 and to continue into Q14	continuing with update and dissemination of results expected after completion of SS phase 3 data collection which will commence on 13 April 2015 after a break in March.	canvassing completed and data entry currently in progress. SS phase 3 data collection also completed and data entry in progress.	re-canvassed questionnaires completed and data cleaning currently in progress. SS data entry and verification of questionnaires completed and data cleaning currently in progress.	of the re-canvassed questionnaires completed and data cleaning currently in progress. SS data entry and verification of questionnaires completed and data cleaning currently in progress.
8.	Number of economic reports available on the ZIMSTAT website, with lag of no more than 12 months	1 (revised) Poverty datum line report	ZIMSTAT	4 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, Quarterly Bulletin of External Trade Statistics	8	5 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, Quarterly Bulletin of External Trade Statistics, CBR Inquiry Report	5 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, Quarterly Bulletin of External Trade Statistics, CBR Inquiry Report	8 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, Quarterly Bulletin of External Trade Statistics, CBR Inquiry Report, Business; Tendency Survey Report, 2014 Labour Force Survey Report; 2014 Child Labour Report	7 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, Quarterly Bulletin of External Trade Statistics, CBR Inquiry Report, 2014 Labour Force Survey Report; 2014 Child Labour Report	7 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, Quarterly Bulletin of External Trade Statistics, CBR Inquiry Report, 2014 Labour Force Survey Report; 2014 Child Labour Report

**Table A2-4. – Context Indicators**

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept	
ECONOMIC GROWTH										
1.	Real GDP Growth	IMF estimate 6.0% for 2011; projection 3.1% in 2012; 3.0% for 2013-15	IMF for updated estimates, ZIMSTAT for actuals	IMF Growth estimate for 2013: 3.3%. Projections for 2014 reduced to 3.1% and 3.2% in 2015	IMF baseline proj. for 2015 exceeded by 2% = 5%	IMF Growth estimate for 2013: 3.3%. Projections for 2014 reduced to 3.1% and 3.2% in 2015	IMF Growth estimate for 2014: 3.1 %. Projections for 2015 reduced to 3.1% and 3.9% in 2016	IMF Growth Projections for 2015 reduced to 2.8% and 2.7% for 2016	IMF Growth Projections for 2015 further reduced to 1.4% and 2.4% for 2016	IMF Growth Projections for 2015 further reduced to 1.4% and 2.4% for 2016
POVERTY REDUCTION										
2.	Poverty indicators as available (total, male, female)	UZ/MZF 2011: total consumption poverty rate = 87%	Agencies conducting poverty surveys, with or w/o SERA support	HH poverty prevalence = 62.6% HH extreme poverty prevalence=16.2% Individual poverty prevalence=72.3% Individual extreme poverty prevalence=22.5% (ZIMSTAT Poverty Report 2011/12)	Quick Poverty Survey developed, conducted & published	HH poverty prevalence = 62.6% HH extreme poverty prevalence=16.2% Individual poverty prevalence=72.3% Individual extreme poverty prevalence=22.5% (ZIMSTAT Poverty Report 2011/12)	HH poverty prevalence = 62.6% HH extreme poverty prevalence=16.2% Individual poverty prevalence=72.3% Individual extreme poverty prevalence=22.5% (ZIMSTAT Poverty Report 2011/12)	Final PICES data remains the latest data. (see previous column)	HH poverty prevalence = 62.6% HH extreme poverty prevalence=16.2% Individual poverty prevalence=72.3% Individual extreme poverty prevalence=22.5% (ZIMSTAT Poverty Report 2011/12)	HH poverty prevalence = 62.6% HH extreme poverty prevalence=16.2% Individual poverty prevalence=72.3% Individual extreme poverty prevalence=22.5% (ZIMSTAT Poverty Report 2011/12)  (ZIMSTAT Poverty Report 2011/12)
EMPLOYMENT CREATION										
3.	Formal sector non-gov't jobs (total, male, female), excluding agriculture.  No breakdown by sex available	422,700 = latest ZIMSTAT data for Dec 2008. No	ZIMSTAT	Paid employment as % Ec Active Pop age 15+:  Total: 23.8%  Men: 31.2%	5% growth in formal sector jobs	395,900 for June 2014. No breakdown by sex available. (Labour force data from QDS)	Total = 393,800 for September 2014. No breakdown by sex available. (Labour force data from	Total = 393,800 for September 2014. No breakdown by sex available.	Total = 387,300 for December 2014. No breakdown by sex available. (Labour force data from	Total = 387,300 for December 2014. No breakdown by sex available. (Labour

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept	
		breakdown by sex available		Women: 16.2% Total employment outside gov & agric: Total: 1,046,463 Men: (65.2%) Women: (34.8%) (PICES 2011/12, & Nathan calc's)			QDS)	(Labour force data from QDS)	QDS)	force data from QDS)
<b>FISCAL MANAGEMENT AND ADMINISTRATION</b>										
4.	Non-mineral revenue (NMR)	2.6 billion (2011)	Baseline from ZIMRA 2011 Revenue Performance Report	Net Revenue Collections for 2014 Q3=\$884.5m Same period 2013 = \$858.3m Growth = 3%	Non-mineral revenue gr. >= growth of non-mining GDP	NMR for the year 2014 =\$3.329 billion NMR for the year 2013=\$3.296billion Growth= 1%	Net Revenue Collections for 2015 Q1=\$803.2m Same period 2014 = \$834.6m Growth = (-)3.8%	Net Revenue Collection for the first half of 2015=\$1.66billion Same period 2014 = 1.72 billion Growth=(-)3.6%	ZIMRA Revenue Performance Report for 2015 Q3 not yet published. Data available is cumulative total revenue to August 2015=2.294bill (MOFED 2015 Budget Outturn) Same period 2014 = 2.449bill Growth=(-)6.3%	ZIMRA Revenue Performance Report for 2015 Q3 not yet published. Data available is cumulative total revenue to August 2015=2.294bill (MOFED 2015 Budget Outturn) Same period 2014 = 2.449bill Growth=(-)6.3%
5.	Percentage of central government expenditure on social services and productive infrastructure (excl. personnel cost)	Est. 18.42% (September 2011)	MOFED	Government capital expenditure as a % of total expenditure to August 2014 = 5.92% (MOFED 2014 Budget Outturn)	24%	Government capital expenditure as a % of total expenditure to November 2014 = 7.8% (MOFED 2014 Budget Outturn)	Government capital expenditure as a % of total expenditure for January 2015 = 1.6% (MOFED State of the Economy, Jan 2015)	Government capital expenditure as a % of total expenditure for March 2015 = 1.95% (MOFED Budget Outturn)	Government capital expenditure as a % of total expenditure for August 2015 = 2.75% (MOFED Budget Outturn)	Government capital expenditure as a % of total expenditure for August 2015 = 2.75% (MOFED Budget

[illegible]

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept	
7.	Foreign direct investment, net inflow (US\$ millions)	\$105m, 2009 \$122.6m, 2010 (RBZ Actuals)	Baseline: Actuals: RBZ BOP Data	2013 estimate increased to 373.1m Projections for 2014= 300.6m 2015= 591.0m	10% growth	2014 estimate = 300.6m Projections for 2015= 591.0m	2014 estimate increased to 472.8m Projections for 2015 remain at 591.0m	No change in RBZ BOP data from last Quarter. RBZ still working on migrating to BOP Manual 6	2014 estimate 472.8m Projections for 2015 reduced to 549.0m	2014 estimate 472.8m Projections for 2015 reduced to 549.0m
<b>GENDER EQUITY</b>										
8.	Formal sector employment, non-gov't: % women (as available)	37% of women formally and informally employed. Data n. a. on formal sector jobs by sex	Zimbabwe Demographic and Health Survey 2010 -2011	% "employed" age 15+ in non-gvt excl. agric. Male = 65.2% Female = 34.8% % of paid employment Male = 66.4% Female = 33.6% (Nathan calc., data from final PICES Report 2011/12)	10% growth	No new data available. Final PICES data remains the latest data.	% "employed" women in wage employment, non-agriculture = 36.7%  (ZIMSTAT 2014 Labour Force Survey)	% "employed" women in wage employment, non-agriculture = 36.7%  (ZIMSTAT 2014 Labour Force Survey)	% "employed" women in wage employment, non-agriculture = 36.7%  (ZIMSTAT 2014 Labour Force Survey)	% "employed" women in wage employment, non-agriculture = 36.7%  (ZIMSTAT 2014 Labour Force Survey)
<b>BUSINESS ENVIRONMENT</b>										
9.	New business registrations (number per calendar year)	8550 in 2011	Registrar of Companies	8056 (through to September 2014)	12000	2615 (Oct-Dec ) 10671 (through to December 31, 2014)	2891 (Jan-March )	1999 (April - June 2015) 4890 (through to June 30, 2015)	2061(July - August 2015) 4890 (through to June 30, 2015)	9602(through to September 2015)
10.	Doing Business Ranking	171 out of 183 countries for 2012	IFC/WB Doing Business Report 2012	170 out of 189 countries for 2014 Figure for 2013 revised to 168 out	165	171 out of 189 countries for 2014	171 out of 189 countries for 2015. Figure for 2014 revised to 172 out of 189 countries	171 out of 189 countries for 2015. Figure for 2014 revised to	171 out of 189 countries for 2015. Figure for 2014 revised to 172 out of 189 countries	171 out of 189 countries for 2015. Figure for 2014 revised to 172 out of 189 countries

No.	Item	Baseline	Source	Year 3 Actuals	Year 4 Annual Target	Year 4 Actuals				Total for Year 4
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept	
				of 189 countries				172 out of 189 countries		
<b>FINANCIAL SECTOR</b>										
11	Level and Growth of deposits in banking system	December 2011 total deposits = \$3318.2m , Growth = 42.6%	RBZ Monthly Report	August 2014 =4322.1m Growth from year earlier = 13.85%	> Nominal GDP growth	November 2014 = \$ 4415.47m Growth from year earlier = 15.98%	February 2015=\$4337.89m Growth from year earlier = 7.86%	April 2015 = \$4438,84m Growth from year earlier = 4.93%	July 2015 = \$4473,96m Growth from year earlier = 5.92%	July 2015 = \$4473,96m Growth from year earlier = 5.92%
12	Bank interest spread (% points) (average lending rate less SERA estimate of average interest cost of deposit funds)	Est. 9.9% (October 2011)	RBZ Monthly Weekly Reports	5.16%* (August 2014)	5%	5.22%* (November 2014)	5.96* (February 2015)	5.22%* (April 2015)	5.55%* (July 2015)	5.55%* (July 2015)
13	World Bank Statistical Capacity Indicator (Indicator from NSDS Monitoring F/Work).	49 (2011)	World Bank	54 (2013)	60	54 (2013). Figures for 2014 not currently available	58 (2014)	58 (2014)	62 (2015)	62 (2015)

\* Best estimate of Interest Spread given here = weighted average deposit rate – corporate clients weighted average lending rate.



# 15. APPENDIX F. YEAR 4 SUCCESS STORY “SNAPSHOT”

## **Policy Reform to improve Zimbabwe’s Competitiveness**

### **USAID provides expert analysis on the “Cost Drivers’ of the Economy and how to address them**

Following the adoption of the multi-currency system in 2009, Zimbabwe’s international trade flows point towards a sustained loss of competitiveness. Most companies in Zimbabwe are operating at sub-optimal levels, with a CZI 2013 survey reporting 39% capacity utilization in industry. In an environment of high fixed costs and low capacity utilization, products cannot compete domestically or in foreign markets. Under the multi-currency system the option of devaluing the national currency to regain competitiveness is foregone. A combination of increased productivity and reduction in the cost of doing business therefore, become the only viable strategies to enhance competitiveness. However, the legal framework as governing labor, taxes, and many statutory obligations do not enable firms to adjust their costs downwards as volumes decline.

In response to this situation the Ministry of Industry and Commerce (MIC) requested ZEPARU, supported by USAID-SERA, to undertake a study of the ‘country’s pricing structure’. Its objectives were to develop a regional comparative analysis of the cost factors affecting the competitiveness of Zimbabwe industries, and propose policy reforms to reduce the cost gaps identified.

The “Cost Drivers” study has had an instant impact on shaping economic policy in Zimbabwe. According to the Press Statement by Zimbabwe’s Minister of Industry and Commerce, Mike Bimha, the recommendations of the study have had a number of profound policy implications that have influenced government to change direction in many ways. The recently released National Competitiveness Report has called this “a landmark study”. The study predicated the need for a more open, liberalized and unrestricted economy, and a more customer-centric (i.e. business-friendly) government that improves the quality of its regulation.

An Inter-Ministerial Committee has been set up under the chairmanship of the Minister of Industry & Commerce to reduce the Cost of Doing Business and enhance productivity. The committee made a series of recommendations based on the Cost Drivers study, which have been adopted by the Cabinet.

**Labor:** Based on the minimum wage levels Zimbabwe was found to be more expensive when compared to its neighbours: Zambia, Botswana and Mozambique. The study’s recommendation was that labour law reform was required to enhance productivity and more flexibility introduced into the labour market. This process has already commenced.

**Power:** There was need to lower power tariffs. This could be done by licensing more independent power producers, and aggressively promoting the use of hydro and other renewable energy sources. Government has licensed a large number of IPP's since the study.

**Financial sector:** Measures need to be taken to reduce country risk. These include the creation of a credit rating bureau (CRB) which can offer services to the financial sector in assessing borrowers thus reducing the potential for non-performing loans. The Reserve Bank is in the process of setting up a CRB.

**Levies & fees:** A holistic review of fees, taxes, levies, etc. should be undertaken to reduce the burden on business. USAID-SERA will be undertaking this study going forward.

**Institutional framework:** In order to operationalize the new approaches, Government has abolished its previous notorious price-fixing National Incomes and Price Commission (NIPC), and replaced this by a National Competitiveness Commission (NCC). The NCC will be responsible for reviewing all new government business regulations and repealing old excessive regulations which are burdensome. It will also monitor cost drivers on a continuous basis. The government has also set up a Cabinet Standing Committee on the Cost of Doing Business which is supposed to report quarterly to Cabinet.